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FBIS-EAS-94-083 CONTENTS *29 April 1994*

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INTERNATIONAL AFFAIRS

Five Power Defense Arrangement Exercises Begin *[Kuala Lumpur International]* 1
Debt-for-Nature Plan Adopted in APEC Meeting *[BUSINESS WORLD 18 Apr]* 1
Japan's Fujii Addresses G-7 Finance Ministers *[KYODO]* 2
  Discusses Unstable Currency Rates *[KYODO]* 2
  Leaves U.S. After G-7 Meeting *[KYODO]* 2
Japan 'Led' Major Nations in Pirated Software *[KYODO]* 2

INTER-ASIAN AFFAIRS

Thai Deputy Prime Minister at AFTA Seminar *[THE NATION 28 Apr]* 4
'Infrastructure Woes' Cloud ASEAN Future *[THE NATION 29 Apr]* 5
ASEAN Drafts Vision for New World Trade Era *[THE NATION 29 Apr]* 7
Funding Worries Hamper ADB's Regional Goals *[THE NATION 29 Apr]* 7

NORTHEAST ASIA

Japan

Camdessus Urges Tokyo, U.S. To Improve Ties *[Tokyo TV]* 9
U.S. Would 'Welcome' Trade Talks Resumption *[KYODO]* 9
Eijiro Hata on Efforts To Settle U.S. Dispute *[KYODO]* 9
U.S., Japanese Develop Low-Voltage CMOS Chip *[KYODO]* 10
Joint Military Drill With U.S., ROK Planned *[KYODO]* 10
Yamaha Motor Establishes New Firm in Taiwan *[KYODO]* 10
Government Plans To Launch Diplomatic Activities *[KYODO]* 11
Hata Holds News Conference After Cabinet Formed *[Tokyo TV]* 12
Hosokawa Discloses Failure To Report Profit *[KYODO]* 17
Yamanashi Bars Contractors Over Bid Rigging *[KYODO]* 17
FTC Searches Shutter Makers in Cartel Probe *[KYODO]* 18
EPA Official: IMF 'Underestimated' Outlook *[KYODO]* 18
Keidanren Seeks Review of Consumption Tax *[KYODO]* 18
Vehicle Output Reportedly Falls 12 Percent *[KYODO]* 19
Crude Oil Imports Said Up 4.2 Percent in Mar *[KYODO]* 19
Labor Ministry Releases Report on Wages, Hours *[KYODO]* 19
  Urges Greater Job Training Role *[KYODO]* 20

Mongolia

Chinese Premier Li Peng Arrives in Mongolia *[ITAR-TASS]* 20
  Nonaggression Treaty Detailed *[KYODO]* 20
'Political Consensus' Document Signed *[ITAR-TASS]* 21
Antigovernment Rally Staged in Ulaanbaatar 23 Apr *[ITAR-TASS]* 21
  Demonstration Termed 'Major' *[ITAR-TASS]* 21
Opposition Figures End Hunger Strike 25 Apr *[ITAR-TASS]* 22

North Korea

Media Report on 26, 27 Apr U.S. Air Exercises 22
  Radio Condemns 'War Gambles' *[Pyongyang Radio]* 22
  KCNA Denounces War Exercises 22

- U.S.-ROK Air Exercise Reported 25 Apr *[KCNA]* 23
- Paper Denounces U.S. Arms Buildup in South *[KCNA]* 23
- Foreign Parties Accuse U.S. of False Propaganda *[KCNA]* 23
- Foreign Groups Urge End to 'Hostile' U.S. Policy *[KCNA]* 23
- Daily Criticizes South for Barring Mun Mourners *[KCNA]* 24
- Pomminnyon Denounces ROK for Blocking Mourners *[KCNA]* 24
- Red Cross Urges Release of POW's Daughter *[KCNA]* 24
- Foreign Groups Back Repatriation of POW's *[KCNA]* 25
- South Urged To Repatriate Korean War POW's *[KCNA]* 25
- Rallies Protest ROK Nuclear Waste Dumping *[KCNA]* 26
- Roundtable on Denuclearization Held in Japan *[KCNA]* 26
- Chongnyon Offices in Osaka Raided by Police 26
  - Police Search Denounced *[KCNA]* 26
  - Korean Residents Protest Crackdown *[KCNA]* 27
  - Anti-Chongnyon 'Campaign' Condemned *[KCNA]* 27
  - Foreign Ministry Protests *[KCNA]* 28
- Party Cell Secretaries Hold Local Conferences *[KCNA]* 28
- Cuban Press Agency Director Discusses Visit *[KCNA]* 28
- Kim Yong-chu Meets With Cuban Ambassador *[KCNA]* 29
- Kim Il-song Sends Message to King of Malaysia *[KCNA]* 29
- Kim Il-song Sends Message to President of Togo *[KCNA]* 29
- Meeting Marks Anniversary of Togo Independence *[KCNA]* 29
- Kim Il-song Sends Message to Sierra Leone's Strasser *[KCNA]* 29
- Papers Mark Sierra Leone Independence Day *[KCNA]* 29
- CPC Delegation Arrives in Pyongyang 26 Apr *[KCNA]* 30
- Press Delegation Departs for China *[KCNA]* 30
- President Kim Il-song Hails Afghan President *[KCNA]* 30
- Envoy to Mongolia Calls on Party Leader *[Pyongyang Radio]* 30
- Mongolian Envoy Visits Ssuksom Historical Site *[KCNA]* 30
- Kang Song-san Congratulates Algerian Premier *[KCNA]* 30
- Greetings Sent to Presidents of Italian Congress *[KCNA]* 31
- Iranian Embassy Officials Tour Mangyongdae *[KCNA]* 31
- Kim Il-song Receives SRV Party Delegation *[VNA]* 31
- Province Marks Syrian Independence Day *[KCNA]* 31
- Syrian Ambassador Meets With Yi In-mo *[KCNA]* 31
- Friendship Accord Signed With Belarus *[KCNA]* 32
- Guyanese National Seminar on Chuche Idea Held *[KCNA]* 32
- Chongnyon Official Arrives in Pyongyang 26 Apr *[KCNA]* 32
- President Kim Il-song Receives Chongnyon Leader *[KCNA]* 32
- Further Reportage on Kim Il-song Birthday 32
  - Foreign Leaders Send Greetings *[KCNA]* 32
  - Bulletins Published Abroad *[KCNA* 33
  - Foreign Celebrations Noted *[KCNA]* 33
  - Observances Abroad Reported *[KCNA]* 33
  - Cilreco Issues Bulletin *[KCNA]* 34
- Symposium Discusses Kim Il-song's Rural Theses *[KCNA]* 34
- Foreign Media Report on Kim Il-song Works *[KCNA]* 34
- Kim Il-song Reportedly Quoted in U.S. Papers *[KCNA]* 35
- Article Details Pride in Great Leader *[KCNA]* 35
- KCNA Reports Foreign Praise for Kim Chong-il 35
- Acts of Loyalty for Kim Chong-il Described *[KCNA]* 36
- Kim Chong-il Work on Party Leadership Cited *[KCNA]* 36
- Forum Marks Kim Chong-il Work on Trade Unions *[KCNA]* 37
- Kim Chong-il Article on Media Commemorated *[KCNA]* 37

South Korea

- DPRK: Radiochemical Lab Inspection 'Absurd' *[YONHAP]* 38
- IAEA Studying Fuel Rod Inspection Proposal *[YONHAP]* 38
- IAEA Plans To Send Inspection Team 24 Apr *[YONHAP]* 38
  - Inspection Team Report 'Groundless' *[Seoul Radio]* 39

IAEA on 'Essential Inspection' of DPRK *[Seoul Radio]* 39
DPRK Envoy on Allowing IAEA Inspections *[YONHAP]* 39
IAEA Proposes Fuel Rod Change Observation *[Seoul Radio]* 39
DPRK Proposal on Armistice Pact Rebuffed *[YONHAP]* 40
    DPRK Envoy on Armistice Proposal *[Seoul TV]* 40
U.S.-DPRK Working-Level Contact Reported *[Seoul Radio]* 40
    Meeting Held Behind 'Closed Doors' *[YONHAP]* 41
Supreme Court Rejects Appeal by U.S. Soldier *[YONHAP]* 41
Military Cooperation Accord Signed With Russia *[YONHAP]* 42
Creditors Give Iran Moratorium on Debts *[YONHAP]* 42
Assembly Fails To Approve Prime Minister 28 Apr *[YONHAP]* 42
Prime Minister's Appointment Approved 29 Apr *[Seoul Radio]* 43
    DP 'Boycotted' Session *[YONHAP]* 43
Speculation on Expected Cabinet Reshuffle *[YONHAP]* 44

SOUTHEAST ASIA

Burma

Delegates Return From GATT Meeting in Morocco *[Rangoon Radio]* 45
Deputy Trade Minister Returns From PRC *[Rangoon Radio]* 45
Delegation Leaves for Thai Border Meeting *[Rangoon Radio]* 45
Education Minister Joins Prime Minister's Office *[Rangoon Radio]* 45
225 Returnees Brought Back From Bangladesh *[Rangoon Radio]* 45
SLORC Releases 7 Detainees From Insein Jail *[Rangoon Radio]* 45
Official Appointments Announced by SLORC 45
    Deputy Ministers Appointed *[Rangoon Radio]* 45
    Maung Aye Appointed Vice Chairman *[Rangoon Radio]* 46
    New Auditor General Appointed *[Rangoon Radio]* 46

Brunei, Malaysia & Singapore

Malaysia

Minister To Attend New York ICO Meeting *[Kuala Lumpur Radio]* 46
ASEAN Trade Ministers To Seek AFTA Expansion *[NEW SUNDAY TIMES 24 Apr]* 46
Dispute With Brunei on Limbang Dispute Resolved *[NEW STRAITS TIMES 25 Apr]* 47
Over 2,500 PBS Members Quit, Join Akar Party *[NEW STRAITS TIMES 25 Apr]* 48
Army To Upgrade Armored Vehicles *[NEW SUNDAY TIMES 24 Apr]* 48
Joint Exploration Accord With Thailand Hailed *[NEW STRAITS TIMES 23 Apr]* 49
* Ministry To Honor Outstanding Scientists *[UTUSAN MALAYSIA 20 Mar]* 49

Cambodia

Top Leaders Exchange Messages on Peace Talks 49
    Sihanouk Asks Khieu Samphan's View *[Phnom Penh Radio]* 49
    Khieu Samphan Replies to Sihanouk *[Phnom Penh Radio]* 50
Sihanouk Urges KR To Respond on Peace Talks *[AFP]* 50
'Heavy Fighting' in Treng; '25,000' Flee *[AFP]* 51
Kompong Chrey Town in Takeo 'Liberated' 25 Apr *[Radio VGNUFC]* 52
Reshuffled Assembly Members Listed *[REAKSMEI KAMPUCHEA 27 Apr]* 52
Demonstrators Protest FUNCINPEC Corruption *[REAKSMEI KAMPUCHEA 4 Mar]* 53

Indonesia

SRV President Concludes Visit 29 Apr *[ANTARA]* 53
Trade Minister Briefs Suharto on Uruguay Round *[ANTARA]* 53
Alatas on SRV Refugees Repatriation From Galang *[Jakarta Radio]* 54
Fleet Commander Inaugrates Two Naval Units *[ANTARA]* 54
* Chief of Staff on ABRI's Future Role *[EDITOR 24 Mar]* 54
* Influence of Islamic Boarding Schools Noted *[EDITOR 24 Mar]* 55

- * Reportage on State Trading Bank Crisis 55
  - * Demand for Government Guarantees *[BISNIS INDONESIA 22 Mar]* 55
  - * Criticism of Central Bank *[BISNIS INDONESIA 22 Mar]* 56

Philippines

- PRC Legislators Deny Arms Buildup in Spratlys *[MALAYA 26 Apr]* 57
- Ramos Supports Death Penalty for Drug Dealers *[MALAYA 26 Apr]* 58
- Columnist Examines Local Communist Movement *[THE MANILA CHRONICLE 26 Apr]* 58
- 'People's Court' Indict Breakaway Leaders *[MALAYA 26 Apr]* 59

Thailand

- Enforcement of UN 1982 'Law of the Sea' Urged *[Radio VOFA]* 60
- Official Updates Cambodia Border Situation *[Bangkok Radio]* 60
- Government Repatriates Cambodian, Lao Refugees *[Bangkok International]* 61
- EGAT Rejects PRC Proposal To Sell Electricity *[BANGKOK POST 28 Apr]* 61
- Intellectual Property Memo Signed With Vietnam *[Bangkok International]* 61
- Poor Security Measures in South Hurt Investment *[THE NATION 28 Apr]* 62
- Higher Inflation Said Not To Hurt Growth *[BANGKOK POST 28 Apr]* 62
- Economy Continues To Sustain 'Impressive Growth' *[BANGKOK POST 29 Apr]* 63

Vietnam

- Le Duc Anh's Activities in Indonesia Reported *[VNA]* 63
- Prime Minister Meets U.S., Canadian Businessmen *[VNA]* 64
- Vo Tran Chi Meets With Chinese Intellectuals *[Hanoi Radio]* 64
- Reform Project To Be Undertaken With UNDP *[VNA]* 64
- * Prime Minister Responds to Bishops' Resolutions *[NGUOI CONG GIAO VIET NAM 15 Mar]* 64
- Do Muoi Addresses National Party Conference *[Hanoi Radio]* 65
- Government Convenes Regular Monthly Meeting *[Hanoi Radio]* 67
- Death Sentence Given for Destroying State Property *[Hanoi Radio]* 67
- Anticorruption Activities in 1994 Reported *[SAIGON GIAI PHONG 3 Apr]* 68
- Anticorruption Campaign Result Reviewed *[SAIGON GIAI PHONG 2 Apr]* 68
- * Defense Strategy for Coastal Region Examined *[TAP CHI QUOC PHONG TOAN DAN Feb]* 70
- * Article Comments on Religion, Human Rights *[TAP CHI QUOC PHONG TOAN DAN Feb]* 72
- Ammunition Siezed in Ho Chi Minh City Customs *[Hanoi Radio]* 74
- Northern Provinces Form Special Economic Region *[Hanoi International]* 74
- Premier on Actions Against Illicit Car Imports *[Hanoi Radio]* 74
- Overseas Vietnamese Receive Tax Incentive *[Hanoi Radio]* 74
- NHAN DAN Discusses Domestic Savings Motivation *[NHAN DAN 1 Apr]* 75

Five Power Defense Arrangement Exercises Begin

BK2604100794 Kuala Lumpur Voice of Malaysia in English 0800 GMT 26 Apr 94

[Text] Fighter planes and warships from five nations started mock air and sea battles off Malaysia and Singapore today to test the region's only multilateral defense pact involving outside powers. The four-day joint air and sea exercises under the Five Power Defense Arrangement—FPDA—end on Friday. FPDA link Britain, Australia, New Zealand, Malaysia, and Singapore. All are members of the Commonwealth. Code-named ADEX 94-2, the exercise is taking place over Singapore and Malaysia and the South China Sea, an area of overlapping territorial claims. The exercise was coordinated from the Royal Malaysian Air Force base at Butterworth, headquarters of the Integrated Air Defense System.

Debt-for-Nature Plan Adopted in APEC Meeting

BK2504060094 Manila BUSINESS WORLD in English 18 Apr 94 p 10

[Text] Debt-for-nature swap schemes may become the in thing for member-countries of the Asia-Pacific Economic Cooperation (APEC) as APEC environment ministers okayed a proposal which opens APEC countries to innovative approaches in mobilizing financial resources for the environment.

An official from the Department of Environment and Natural Resources (DENR) said the proposal is aimed at awakening the interest of APEC member-countries to debt-for-nature swap arrangement.

At present, only Mexico and the Philippines are taking part in the program among APEC member-countries.

Robert Jara, project coordinator of DENR foreign assisted special project director, told BUSINESS WORLD the debt-for-nature swap scheme remains one of the more creative financing mechanisms a Third World country can avail of in preserving its environment.

He disclosed that during the recently concluded meeting of APEC's environment ministers in Vancouver, Canada, the proposal was adopted as one of the "framework of principles" approved by the APEC body.

The principle specifically states that APEC member-economies should cooperate in exploring "innovative approaches to fund-raising schemes and mechanisms" in protecting the environment.

The debt-for-nature swap program, however recently came under attack from various sectors claiming the arrangement had become virtually impractical because of the rising cost of the Philippine debt papers.

The debt-for-nature swap arrangement is based on the principle that part of the foreign debt of severely indebted country is "canceled" by rechanneling it to a national currency fund directed to finance environment programs.

Specifically, the program involves the purchase and subsequent cancellation of part of a country's foreign debt in exchange for the funding of local conservation efforts and a government commitment to protect the environment.

Mr. Jara claimed the arrangement even has Finance Secretary Roberto F. de Ocampo's endorsement.

In a brief presented during the meeting of APEC's finance ministers last March, Mr. de Ocampo proposed debt-for-nature swap deals as one of the concerns which countries should adopt.

Based on the copy of the brief obtained by BUSINESS WORLD, Mr. de Ocampo praised debt-for-nature swap arrangement as a "win-win" scheme which can allow the Philippines to address both its debt and environment protection problems, specifically in relation to fund lack.

Mr. Jara admitted, however, that the program will not solve the country's debt problem as the amount of money involved is just too small to make a dent in the country's total foreign debt. On the other hand, he said it can help a long way in the country's conservation efforts.

The country's debt-for-nature swap program is currently supporting biodiversity projects in the El Nido Marine Reservation and St. Paul River Subterranean National Park, both in Palawan, and in Mt. Pulog in Northern Luzon.

The Foundation for Philippine Environment is overseeing the program in coordination with the Philippine Business for Social Progress.

Earlier, Environment Secretary Angel C. Alcala, who represented the country during the APEC environment ministerial meeting, explained the discussions mainly focused on integrating environment issues with the economy or industrialization.

It is an initial discussion on potential cooperation among APEC member economies in the area of environment and sustainable growth, he added.

The meeting was held last 23-25 March and was attended by 150 delegates, representing APEC's 18 member-countries.

APEC was formed in 1989 in response to increasing calls for closer economic cooperation among countries in the Asia-Pacific through increased intra-regional trade and investment flows.

Japan's Fujii Addresses G-7 Finance Ministers

OW2504000994 Tokyo KYODO in English 0001 GMT 25 Apr 94

[Text] Washington, April 24 KYODO—Japan will enact lasting income tax cuts by year's end, Finance Minister Hirohisa Fujii told his counterparts from seven major industrial nations Sunday.

The demand for Tokyo to extend this year's 6 trillion yen in income and residential tax cuts, to spur domestic demand and reduce its trade surplus, came again at Sunday's meeting in Washington of the Group of Seven (G-7) finance ministers and central bank chiefs.

Fujii told a news conference that he responded by saying multi year tax cuts will be enacted this year, as promised by the coalition government of outgoing Prime Minister Morihiro Hosokawa.

Japanese officials have said Fujii carried a message that a new government to be launched Monday will carry on Hosokawa's reforms. Foreign Minister Tsutomu Hata is certain to succeed Hosokawa as premier.

Fujii said the finance leaders of Britain, Canada, France, Germany, Italy and the United States also confirmed with him "the shared understanding that excessive changes in exchange rates are undesirable."

He said he stressed to the meeting "that exchange rates should reflect economic fundamentals and that excessive changes are undesirable, and all the countries confirmed this." He said they agreed on "close cooperation" on the exchange market.

Foreign exchange volatility is also undesirable for stock and bond markets, Fujii said.

Bank of Japan Governor Yasushi Mieno told the same news conference that he recognizes U.S. economic recovery as genuine and that other countries are steadily moving in a brighter economic direction.

Discusses Unstable Currency Rates

OW2504004994 Tokyo KYODO in English 0037 GMT 25 Apr 94

[By Kohei Murayama]

[Text] Washington, April 24 KYODO—A reaffirmed accord by the Group of Seven (G-7) industrialized nations on stabilizing exchange rates reflects Japan's concern over the adverse economic effects of currency volatility, Japanese Finance Minister Hirohisa Fujii said Sunday.

"I expressed my view that unstable rates will have undesirable effects on the stock and bond markets and cool off business sentiment to put a damper on the economy," Fujii told a press conference after a meeting of G-7 finance ministers and central bankers.

Fujii said the G-7 financial leaders reconfirmed their past accord to closely cooperate to realize stable currency rates reflecting economic fundamentals. "The stronger growth nations were referred to as the United States, Canada, and Britain, and the weaker nations as Japan and other G-7 nations." Fujii said.

Fujii said he described the state of Japan's economy as "still generally sluggish," but stressed that the February 15.25 trillion yen economic package will help Japan attain a full-fledged recovery.

Fujii also said that he explained that the Japanese ruling coalition parties agreed to implement multi-year income tax cuts in a policy accord agreed last Friday on forming a new cabinet.

On the current account surplus, Fujii said, "the trend has clearly reversed," citing the change in the effects of external demand on Japan's economic growth.

External demand pushed down Japan's real gross domestic product (GDP) by 0.3 percentage point, while domestic demand boosted it by 0.4 point to attain a 0.1 percent growth in fiscal 1993 that ended March 31, Fujii said.

Leaves U.S. After G-7 Meeting

OW2504014494 Tokyo KYODO in English 0134 GMT 25 Apr 94

[Text] Washington, April 24 KYODO—Japanese Finance Minister Hirohisa Fujii left Washington for home Sunday after attending a meeting of finance ministers and central bankers from the Group of Seven (G-7) industrialized nations.

Fujii will miss the twice-yearly gatherings of the International Monetary Fund and the World Bank through Tuesday in Washington because of a tight schedule at home involving formation of a new cabinet. Fujii is expected to arrive in Tokyo on Tuesday.

Bank of Japan Governor Yasushi Mieno will represent Japan at the IMF and World Bank meetings, along with Kosuke Nakahira, vice finance minister for international affairs.

Japan 'Led' Major Nations in Pirated Software

OW2804034094 Tokyo KYODO in English 0327 GMT 28 Apr 94

[Text] London, April 27 KYODO—Japan led the industrialized world in piracy of business software in 1993, with 80 percent of programs in use believed to be illegal copies, a London-based computer software association said Wednesday [28 April]. Piracy in Japan cost the software publishing and distribution industries an estimated 1.9 billion dollars, according to the Business Software Alliance.

A survey of 54 nations conducted by the association of 15 European and American software houses showed that the industry lost 12.8 billion dollars worldwide.

The piracy rate was lowest in the United States at 35 percent, while the rate for Thailand, Indonesia and Russia stood at 98 to 99 percent, the association said.

Tougher government enforcement in Italy helped slash the rate of illegal software from 86 percent in 1992 to 50 percent in 1993, the association said. It said the Italian Government stepped up police raids of companies following enactment of a new copyright law.

The business software alliance is devoted to eradicating software theft worldwide.

Thai Deputy Prime Minister at AFTA Seminar

BK2804031894 Bangkok THE NATION in English 28 Apr 94 p B2

[Text] For Deputy Prime Minister Suphachai Phanitchaphak, a strong advocate of free trade, the provisions of Asean Free Trade Area (Afta) are already outdated.

Speaking at an Afta conference at the United Nations building in Bangkok yesterday, Suphachai told hundreds of influential Asean economists that "the Afta agreement should be modified".

He said he was not satisfied with Afta, both in terms of its long timespan, its limited range of products and its restrictive regulation for new membership.

The "Afta and Beyond: An Asean Perspective" seminar was jointly organized by the Economic and Social Commission for Asia and the Pacific (Escap), the Thailand Development Research Institute (TDRI) and Queen's University, Canada.

Suphachai viewed Afta as an attempt by the Asean Six to consolidate their bargaining position—amidst a feeling of "grim hope" about the conclusion of the Uruguay Round of multilateral trade talks—by reaching a regional free trade agreement. "(But) as the Round has successfully been concluded, the (original Afta) requirements might not be well suited to 1994," he said.

Suphachai, who represented Thailand at the latest Asean informal economic ministerial meeting in Malaysia earlier this month, said he was disappointed with Afta's slow progress. The Asean economic ministers had met on an informal basis to speed up the Afta process and Suphachai had hoped to push through a shorter timeframe.

However the Asean ministers missed the opportunity to announce a new Afta time-frame, even though it had been widely speculated that the deadline would be reduced from 2008 to 2003. A statement from the meeting said the Asean ministers simply agreed that senior officials would review "the implementation of Afta".

"But (they did not) agree on a particular year," Suphachai said.

Asean leaders agreed last year to cut tariffs on Asean manufactured goods to 0 to 5 per cent over a 15 year period. Suphachai, though, insisted that "the Afta timeframe should be shorter (because) the period is too long compared to Gatt and Nafta".

The members of the General Agreement on Tariffs and Trade (Gatt) agreed last month in Marrakech to cut tariffs on manufactured goods by one-third over a 10-year period.

Moreover, the range of commodities that fall into the Afta tariff cut basket should be expanded, especially to include farm goods. Non-processed farm products are excluded from the Afta tariff cut requirement.

"This may be no longer appropriate," Suphachai said, citing Gatt and the North American Free Trade Agreement (Nafta) requirements where the tariffs on farm goods would have to be cut over specific timeframes.

If Asean continues to ignore the farm sector in its regional free trade plan, "it might jeopardize Asean attempts to become a leader in farm trade at the World Trade Organization (which supersedes Gatt next year)", Suphachai said.

On expanding Afta's membership, Suphachai recalled his "bitter" experience in unsuccessfully persuading his counterparts to accept Australia and New Zealand as new partners.

"Asean ministers agreed to discuss the linkage between other regional groupings with Afta, but they avoided naming names," Suphachai said.

Australian Prime Minister Paul Keating stated a clear intention to join Afta during his recent visit to Bangkok. But Malaysia's International Trade and Industry Minister Rafidah Aziz has strongly opposed the move.

"Asean is not a free-for-all organization," she was quoted as saying.

Without referring to Australia, Suphachai expressed disappointment at the Malaysian minister's stance. "It's rather ironic," he said. "The trend is that Asean is trying to persuade some of its neighbours that they are not ready to join Afta, but ignores other countries that are."

Some experts view Afta with scepticism. On the meeting's panel yesterday, Richard G Harris, from Simon Fraser University, Canada, questioned how much could Asean have done to open up the regional free trade area, as the grouping has to overcome factors which have been its engine behind a flourishing growth rate of Asean exports in the last decade—or "export-oriented protectionism" to support export promotion policies.

He said the economies of many highly successful East Asian countries were and continue to be protectionist, although at considerably lower levels than before, domestic markets for finished consumption goods are rather heavily protected. Intermediate products and basic industrial raw materials, such as steel and petrochemicals, are also quite heavily protected, with capital goods less so.

Although the protection measures have succeeded in promoting rapid growth of manufactured export products, it has led to a relatively peculiar structure of export production.

"This pattern has meant, among other things, that the direct contribution of exports to economic growth has been quite small. In Thailand, for instance, the aggregate contribution of exports to economic growth declined in the later 1980's and early 1990's due to the high cost of exports," he said.

Moreover, local exporters preferred to have a high local content requirement to avoid direct competition with foreign companies. "This has led to protectionism and created the artificial structure of export production." Dr Narongchai Akrasani, the Afta architect, however, suggested Asean can achieve the free trade by working hard on its own regional free trade area.

"(But) we will not have the free trade area under the Asia-Pacific Economic Cooperation or under the World Trade Organization in the year 2010," he felt.

Due to strong internal political pressures, more powerful countries cannot support free trade at a global level, no matter what they have said, Narongchai claimed.

As such, Asean should achieve a free trade area by itself with Afta, he said.

'Infrastructure Woes' Cloud ASEAN Future

BK2904094494 Bangkok THE NATION in English 29 Apr 94 p A 8

[Report from "The Regional Desk"]

[Text] For much of the past decade, Southeast Asia's economic growth has been the envy of the world. The region has been held up as a model of development by the World Bank and its success has led to a rethink of the way economies are managed in the recession-mired West. In its recent annual survey, the Asian Development Bank predicted the area's leading economies would continue to crackle along at close to double-digit pace for at least the next two years and perhaps until the end of the decade. With a new World Trading Order coming into effect, China emerging as the fourth global economic engine and old political boundaries to trade being swept aside, prospects for the Southeast Asian states have probably never looked brighter.

But as this promise of a seemingly unending boom unveils, there are also more than a few clouds looming on the horizon.

Among the flashpoints for anxiety are the political upheaval in Japan, a growing balance of payments deficits in Indonesia and the Philippines, the trade dispute between China and the United States and manpower shortages.

Possibly the most entrenched problem facing all the Asean states is flagging foreign investor interest.

According to a survey by Merrill Lynch International Bank released last month, 1993 data on direct foreign investment largely confirms earlier suspicions that the sub-region's attractiveness is slipping as foreign firms focussed more on China, India and Vietnam. Other than the Philippines, which reported a sharp 85 percent jump in investments to $529 million in 1993, the other three developing economies of Southeast Asia—Thailand, Malaysia, and Indonesia—all registered declines in approved investments for the second consecutive year.

Thailand and Malaysia were the worst hit. Approvals for foreign equity fell 68.1 percent to $233 million in Thailand, and dropped by over 60 percent to $912 million in Malaysia.

Indonesia experienced a more modest four percent fall in approvals to $7.72 billion in the same period.

Much of the surge in foreign investment, which fuelled the Southeast Asian boom in the early 1980s was driven by the need of Japan and other nations, hit by appreciation of their currencies, to maintain export markets abroad.

"With diminishing importance of low-cost labour as a key investment criteria, and the emergence of big domestic markets like China and India, Southeast Asian nations will need to develop a new set of comparative advantages to revive investor interest," the Merrill Lynch report said.

Finance analysts expect the next wave of foreign investment into Southeast Asia to target the services industries if host governments are prepared to lay out the welcome mat. This would mean more conventional ways to attract investments such as more business-friendly policies, cutting red tape and ensuring a good operating climate supported by strong infrastructure, bankers say.

For many foreign investors, the objective now is to seek access to domestic markets. But investment laws in most Asean nations, particularly Indonesia and Malaysia, are only liberal on permissible foreign equity if the bulk of production is for export.

By comparison, China and India allow majority-owned foreign ventures in a wide range of industries, and the two countries are reaping the benefits of their more liberal laws. Investment approvals for China last year rose by more than 385 percent to $58.12 billion in 1993. In India, they jumped 93.7 percent to $2.91 billion.

Infrastructure Woes

In addition to the requirements of the private sector there is an even greater need within the region for investment to address heavy infrastructure shortcomings if growth is to be secured, bankers and analysts say.

The ADB estimates that Asia—excluding Japan—will need nearly one trillion dollars in the next decade for infrastructure such as roads and power plants telecommunications and railways to maintain economic growth.

Urging the region to raise spending on basic development by 40 percent the ADB warned in its annual report that "any lag in the supply of infrastructure will undoubtedly slow down development over time, even if all other factors are favourable".

Power and transport needed most new spending. Each sector required $300-350 billion in investment, telecommunications $150 billion and water supply and sanitation up to $100 billion by the year 2000.

The sheer size of the amount of money needed will require governments, many who are already pressed by growing budget deficits, to look past traditional sources of capital such as the World Bank and the ADB.

"It is becoming apparent that our needs will outstrip the resources of these institutions. We must turn to private capital providers," Indonesia's Finance Minister Mar'ie Muhammad said at the recent Apec Finance Ministers meeting in Honolulu.

But while regional governments are aware of the need for long-term investment funds, many fear that real flows of private capital, and in particular speculative "hot" money into stock markets will lead to instability. They argue that at the moment there are no guarantees on the nature or direction of capital flows except regulation.

The investor economies, such as the United States and Europe argue that regulation does little to attract capital. Washington was particularly active at the Apec finance minister's meeting pressing Asian economies to further open their financial markets.

But with financial services excluded from the Uruguay Round accord which was signed in Marrakesh earlier this month, Asian nations have won some breathing space to resist Western demands for further liberalisation.

Early indicators suggest that in the interim they are cautiously taking steps to remedy the problem. Southeast Asian capital market regulators agreed earlier this month to set up a forum to evolve common procedures for tapping overseas funds and beef up enforcement of laws governing their fledgling markets.

Thailand granted offshore status to 34 foreign banks in March last year. Asean countries are also looking at sources closer to home to raise capital. The Kuala Lumpur based Asean Institute, which was launched in 1991 as a private sector initiative to promote closer economic ties among the six member countries announced plans last week to launch a 1-million ringgit (US$40 million) investment fund next month that will specialize in Southeast Asian economies.

Singapore, traditionally an investor in established capitalist economies, is targeting developing Asian nations for 20-30 percent of its reserve capital.

Prime Minister Goh Chok Tong said Singapore would be looking at Vietnam, India and even Burma for regional investment opportunities, but primarily to China.

Changing Economic Landscape

While the rapid emergence of China as an economic power has diverted foreign investment funds from Southeast Asia, the Asean states are also ideally positioned to profit from the giant's growth.

"China took up the slack of the stimulus from advanced countries," Lawrence Krause of the Pacific Economic Cooperation Council [PECC] said at the forum's 10th international general meeting in Kuala Lumpur in March.

"China's imports have grown by more than 25 percent in the last two years and a growing share of imports are coming from the PECC countries," he said.

Access to the huge internal markets of China and India, which have a combined population of two billion, is expected to help maintain Southeast Asia's dynamism and reduce its vulnerability to adverse trends in markets in the industrial world.

But in the short term, the rapid growth of the Chinese economy—a world leading 13 percent last year—poses problems of its own.

China's sizzling growth is widely viewed as unsustainable and the government, wrestling with the social problems of runaway inflation and the spiralling costs of domestic investment, is expected to slam on the monetary brakes soon. Such action could lead to a drastic decline in economic activity.

"With the Pacific region so dependent upon the economic outcome in China, there is much concern that an extreme cannot be avoided," Krause said.

Adding to concerns about China, is Washington's threat to strip the country of preferential trade status unless it improves its human rights record. If carried through, the move would affect billions of dollars worth of exports and trigger a trade war that could shave several growth points off many of the economies in Asia. A similarly bitter dispute between Washington and Tokyo over access for US companies to Japanese markets could also have a destabilizing impact on economies in the region.

Japan, already hampered by a strong yen, structural imbalances and balance sheet adjustment after declines in equity and real estate prices, is just beginning to show signs of recovery from its most serious recession since the last world war. A rupture in trade ties with the United States would be devastating to its weak recovery and damaging to its trading partners. In 1993, for the first time, Japanese trade within the region was greater than that with the United States. The US and Japanese economies are so heavily interdependent, however, that any fallout between the trading giants would have serious repercussions with its smaller trading partners.

Aids and Social Problems

While economic growth has spawned a growing middle class, Asia's success hides the largest concentration of poor in the world.

The ADB's usual optimism was tempered this year by concern over unchecked population growth, urban poverty, environmental decline and the spectre of an uncontrolled Aids epidemic among Asia's teeming billions.

The growing Aids epidemic could force nations to change their development priorities towards greater efforts to reduce poverty, the bank said.

Regional bankers also note shortages in skilled and semi-skilled labour and political instability in Indonesia and Thailand as areas which could help prevent the Southeast Asian states from making their apparent date with development.

ASEAN Drafts Vision for New World Trade Era

BK2904095394 Bangkok THE NATION in English 29 Apr 94 p A 8

[By Surachai Chuphaka]

[Text] Economic ministers from the six Asean states began a week-long meeting last Saturday to formulate a new vision for the regional bloc in the wake of the signing of the General Agreement on Tariffs and Trade accord in Marrakesh two weeks ago.

Officially known as the Asean Economic Ministers (AEM) meeting, the forum represents an unprecedented attempt by Asean to determine its role in the fast changing global trade environment.

Participants at the meeting outlined three principal goals: First, Asean members are to seek a framework on which to develop Asean cooperation in the service sector. Deputy Prime Minister Suphachai Phanitchaphak, said Asean is working toward greater cooperation among members in the finance, insurance and telecommunications sectors, primarily as a safeguard; against pressure from industrialized countries.

Second, Asean will have to play an important role in the World Trade Organization (WTO), a body created at the Gatt ratification, so that Asean members have a forum for preserving their interests and resisting domination by economic powers like the United States or Japan.

Asean ministers see the linking of labour laws with trading privileges as a way of creating trade advantages in favour of developed countries. Asean has called for labour issues to be addressed by the International Labour Organization, and not included on the WTO agenda.

Lastly, the ministers have decided on a long-term course, envisaging trade competition among trade organizations like Nafta and the European Community (EC), and taking into account the economic adjustment of such major countries as Japan, India and China.

In the wake of increasing trade liberalization with Nafta extending into South America and the EC transforming its organisation into a transcontinental body and still growing, Asean cannot stay complacent. It must adapt itself to the new global arena.

Afta, Asean feels, will have to accelerate its efforts to lower tariffs among Asean members ahead of the 15 year time frame, (while complying with the Gatt requirement that members must lower tariffs within 10 years after 1996), to create a stronger Afta capable of competing with other free trade organizations.

Asean ministers also agreed to slate agricultural products for Afta tariff reduction in order to increase the trading volume within the group and to keep in line with the Gatt tariff reduction conditions for agriculture products.

Asean, the ministers recommended, should look to expanding its transactions with other trade organizations like Nafta to augment the volume of trade, and to create a broader product mix as most of Asean's members share the same commodities. This, the minister reasoned, would strengthen and upgrade the Asean economy.

The Asean ministers also acknowledged the necessity to erect a police exchange mechanism (PEM) as part of its effort to reduce unnecessary competition among Asean members to obtain foreign investment.

The ministers will assign senior Asean officials to study and work out plans to be presented at a meeting in September in Chiang Mai, before a normal ratification at the next Asean Summit in Bangkok the following year.

Funding Worries Hamper ADB's Regional Goals

BK2904102794 Bangkok THE NATION in English 29 Apr 94 p A 8

[Report by Kulachada Chaphiphat]

[Text] Just as enthusiasm increases for substantive subregional economic cooperation, the Asian Development Bank (ADB) is finding it hard to meet its lending capacity goals. The Bank is under pressure to implement its identified projects.

At the recent Conference on Subregional Economic Cooperation, infrastructure and energy were high on the agendas of the Mekong countries, and ADB had hoped to play a landmark role in funding the massive amounts of investment required.

Given the loan squeeze, the Bank, rather than playing 'family doctor' was forced to fund many white elephant projects.

"The Bank as an institution must move beyond the traditional private sector 'window' and explore innovative mechanisms for public-private partnerships, and find effective ways to link technical project information to the investment decisions of enterprises," ADB's President Mitsuo Sato told the heads of the six nation delegation from Cambodia, China, Myanmar [Burma], Laos, Thailand and Vietnam at the Third Conference on Mekong sub-regional economic cooperation last week in Hanoi.

Sato also urged greater responsibility on the part of regional governments in finding unilateral and collective approaches to regulatory, legal and institutional bottlenecks in order to attract massive private sector investment in so-called "hard side" projects like transport and energy development.

He stressed that "soft side" economic cooperation, (chiefly energy management coordination), though hardest to implement, must be simultaneously addressed along with "hard side" cooperation.

The reorientation of the Bank's policy to seek private sector help in regional development stemmed mainly from tightening budget control. The private funding is needed, however, to help share in its lending which this year reached more than US$ 10 billion for infrastructure projects in the Mekong region.

The Bank's 1993 annual report, released last week, said the ADB members should widen the private sector's role in infrastructure projects, expected to soar to one trillion dollars by 2000. Beyond 2000, the private sector's funding of the subregional projects will account for 70 percent of investment in the region.

The Bank's Programs Director (West) Noritada Morita said in an exclusive interview with The Nation that the role of the private sector in financing these projects in the future will be formidable, and greatly complement the Bank's funding options.

With increasing private sector involvement, Morita said, the Bank's role is to continue to provide technical information and to act as a middle agent to meet the needs of each country in the Mekong region.

Morita also shared widely held concerns about the possible negative effects of private sector involvement in subregional economic development, especially concerning the impact of development on societies and the environment.

He said the responsibility lies on each government to control potential environmental damage caused by private sector involvement. Governments, he said, should provide tax privileges and other incentives for sound environmental policies on the part of the private sector.

"It is very difficult to say. Ability to combat environmental abuse depends on the maturity of the society the government and the public," he said.

The Bank has come under pressure from traditional donors, in particular the United States, who are looking to channel financial resources to other emerging areas besides the Mekong subregion.

Nevertheless, the Bank's 55-member agency was able to defend its proposed capital increase from US$14 to 28 billion this year, with the aid of Japan. The Bank is committed to conducting a basic reform of both its structure and policy to weed out the bad projects and raise lending criteria.

The Bank has been criticized for unsuccessful projects. About 20 percent of ADB projects, mostly in infrastructure, have been unsuccessful, although it still rates well in comparison to similar institutions.

Morita, echoing Sato's policy, said the Bank was devising a new lending strategy incorporating environmental provisions into funding eligibility requirements. A blueprint of the Bank's restructuring is expected to be completed by the end of this year.

Among the "soft side" projects proposed at last week's conference was the proposed creation of an environmental forum to engage policy makers and private agencies to address environmental concerns and formulate regional standards for environmental regulations. It also included the setting up of a working committee on trade to look into ways to harmonize trade and tariff codes which have impeded cross border economic cooperation.

Morita described the meeting as extremely successful, as participating countries were not only be able to show their readiness to take part in the "hard side" of economic cooperation, namely transport and energy sectors, but also an increased willingness to cooperate on the "soft," but harder to implement, side of economic cooperation.

An official attending the conference expressed caution, however. "Some projects are designed to make the Bank look good and to please donors but did not really address demands of lenders," the official commented.

The official said that while there was an increasing concern for environmental degradation in the subregion, not all participating countries are ready to join hands, and some preferred that it be addressed at the national level.

The failure of the delegations from Cambodia, Thailand and Vietnam to deal with off-shore disputes regarding oil and gas production demonstrated that certain sensitive areas exist which defy resolution by the conference.

Morita, however, said the Bank's success should not be measured by the number of projects that were agreed upon by participating countries.

"Our success is in helping small countries sustain economic growth and development, in helping these countries reform their economies, and in making the private sector more active. Ultimately we are striving [to] reduce poverty in the region," he said.

Japan

Camdessus Urges Tokyo, U.S. To Improve Ties

OW2504122394 Tokyo NHK General Television Network in Japanese 003000 GMT 22 Apr 94

[Announcer-read report over video on an interview with Camdessus, managing director of the International Monetary Fund, with unidentified NHK correspondent on 21 April; place not given; from the "NHK News" program—recorded]

[Text] In an NHK interview on 21 April Camdessus, managing Director of the International Monetary Fund, strongly urged Japan and the United States to improve their relations, saying that economic friction between Japan and the United States has negative impact on the world economy.

[Begin recording] [Camdessus in English, with Japanese subtitles] The world has nothing to gain from the dispute. We know that the two countries are responsible countries, and they will do everything they can to solve this dispute. [end recording]

Camdessus also stressed that the important thing is for Japan and the United States to meet halfway.

Moreover, he said the United States needs to exert efforts to reduce its trade deficit, and Japan needs to expand domestic demand and open its markets.

While asking Japan to continue to introduce economic stimulus measures, Camdessus said further appreciation of the yen's value will hinder economic recovery in Japan. He pointed out the importance of cooperation among the developed countries for stability of the foreign exchange market.

A meeting of finance ministers and central bankers from the Group of Seven [G-7] major industrial nations will be held in Washington on 24 April. It can be said Camdessus, who will act as referee at the meeting, made the recent remark while feeling a strong sense of anxiety that Japan-U.S. economic frictions may weaken the G-7 member nations' conciliatory stand in the fields of foreign exchange policies and economic measures.

U.S. Would 'Welcome' Trade Talks Resumption

OW2204150494 Tokyo KYODO in English 1448 GMT 22 Apr 94

[Text] Washington, April 22 KYODO—The United States will welcome the opportunity to resume stalled framework trade talks with Japan following the installation of a new government in Tokyo, a top White House official said Friday [22 April].

"We would very much welcome the opportunity to continue discussion at an appropriate time," Robert Rubin, director of the White House National Economic Council, said.

Rubin made the remarks following reports from Tokyo that Japan's ruling coalition parties have decided to back Tsutomu Hata, currently the foreign minister, as their candidate to replace outgoing Prime Minister Morihiro Hosokawa.

A vote by Japan's parliament is scheduled for Monday.

Rubin told reporters he is aware that Hata has been chosen as the prime ministerial candidate, but declined to comment whether Hata's elevation to the prime ministership would bring changes to the troubled U.S.-Japan economic relations.

"We have enormous respect for Japan... Our relations with Japan are extremely important to us in all respects, including economics," Rubin said.

In an address he made earlier in the day to a group of American business executives, Rubin reiterated that the U.S. is not seeking "quotas" or "market shares" for U.S. products in Japan.

"We are dedicated to try to gain fair access to sell in Japan," he said.

Eijiro Hata on Efforts To Settle U.S. Dispute

OW2904013894 Tokyo KYODO in English 0120 GMT 29 Apr 94

[Text] Tokyo, April 29 KYODO—New International Trade and Industry Minister [MITI] Eijiro Hata has called for "comprehensive efforts" to break the trade impasse between Japan and the United States.

The private sector and the ruling coalition parties, as well as government ministries, should make concerted efforts to maintain Japan's national interests on the trade front, Hata said in an interview with KYODO NEWS SERVICE and other news organizations Thursday.

As a way to improve the current trade situation, the new coalition government may need the power of a single influential politician, Hata said in an indirect endorsement of the role of Ichiro Ozawa, the chief strategist for the government of new Prime Minister Tsutomu Hata and his predecessor Morihiro Hosokawa.

Ozawa is believed to have played a key role in settling the Japan-U.S. row over Motorola Inc.'s access to Japan's cellular phone market in March.

In his first press conference as MITI chief earlier Thursday, Hata also vowed Tokyo's maximum efforts to use "every trade channel, including informal negotiations" to mend the strained economic ties between Tokyo and Washington.

The trade minister said Japan should take the formation of the new cabinet as an opportunity to clarify anew the fundamental problems between Tokyo and Washington.

"Little time is left (before the July summit of the group of seven leading industrialized nations in Naples). But the new government should not spare time digging into the core part of the current trade wrangling," Hata said.

Hata opposed the U.S. demand for numerical targets as a tool to gauge the openness of Japan's markets, calling for Washington's understanding of Japan's stance against managed trade.

The trade minister voiced regret over the Social Democratic Party's departure from the coalition, due to intracoalition feud, immediately after a coalition accord on a policy platform was struck.

The departure resulted in a ruling minority alliance for the new government, the first in Japan in nearly 40 years.

Hata called for the socialists to continue respecting a coalition accord on key issues, including tax reforms.

The platform includes "significantly painful measures" for the SDP, but they are "worth being implemented," he said.

U.S., Japanese Develop Low-Voltage CMOS Chip

OW2504060094 Tokyo KYODO in English 0537 GMT 25 Apr 94

[Text] Tokyo, April 25 KYODO—Japan's Toshiba Corp. and the U.S.-owned National Semiconductor Japan Ltd. and Nippon Motorola Ltd. announced Monday they will start sample shipments in late may of a family of low-voltage semiconductor they have jointly developed.

The companies said the pure three-volt CMOS (complementary metal oxide semiconductor) logic family with five-volt tolerant inputs and outputs is the first of its kind in the world.

The devices operate at pure three volts or at both three and five volts in the same design without sacrificing performance, the companies said.

They said the devices are designed for use in notebook personal computers, portable personal information tools and other portable devices.

Joint Military Drill With U.S., ROK Planned

OW2904121394 Tokyo KYODO in English 1157 GMT 29 Apr 94

[Text] Tokyo, April 29 KYODO—Japan, South Korea and the United States plan to team up as allies for joint drills in a military exercise in June amid international attention focusing on how they might deal with North Korea's suspected nuclear arms development, Defense Agency [DA] sources said Friday [29 April].

"The new combination is apparently a political message on North Korea's suspected nuclear program," one of the sources said in an interview with KYODO NEWS SERVICE.

"But it is a short-term and secondary purpose (for the U.S.) the long-term target is to establish a security system throughout the region, including Southeast Asia, China and Russia," the source said.

The U.S. Navy has sponsored the so-called "Rim of the Pacific Exercise" (RIMPAC) joint military maneuver in the north Pacific near Hawaii once every two years since 1971 and Japan has taken part since 1980.

However, Japan has paired up only with the U.S. and this year will be the first time that another country joins the same team.

This year, Australia, Canada, Japan, South Korea and the U.S. will participate in the RIMPAC exercise to be held from the end of May to late June.

Under the plan, drill participants from Japan's Maritime Self-Defense Force, the South Korean navy and the U.S. Navy will "fight" against another team consisting of Australian and Canadian naval units and some U.S. officers, the sources said.

However, the Defense Agency said Japan and South Korea would team up separately with the U.S.

"There is no possibility that Japan and South Korea, or Japan, the U.S. and South Korea, would directly link up and drill," a Defense Agency official said.

South Korea has joined in RIMPAC since 1990 and this year will mark its third participation, but Japan and South Korea were on opposite sides in the previous two exercises.

The sources said the U.S. drafted this year's team line-up. Japan was reluctant to accept the plan, fearing domestic criticism, and the U.S. compromised, they said.

The compromise allows Japan to explain to the people that Japan and South Korea will team up separately with the U.S., they said.

The exercise has in the past been criticized as a violation of Japan's war-renouncing Constitution, which bars Japan from resorting to collective security.

Defense Agency officials continue to argue that the drill aims only at improving defense officers' skills and does not violate the Constitution.

Yamaha Motor Establishes New Firm in Taiwan

OW2204104894 Tokyo KYODO in English 1022 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—Yamaha Motor Co., Japan's leading motorcycle manufacturer, said Friday

[22 April] it has established a new firm in Taipei to boost motorcycle shipping capacity from Taiwan.

The new firm, called Yamaha Motor Taiwan Trading Co., is part of Yamaha Motor's strategy to make Taiwan a globally important production site of small motorcycles.

Yamaha has produced 400,000 motorcycles annually at its local venture, Yamaha Motor Taiwan Co. of the total, 20,000 to 50,000 units have been shipped yearly to Europe and Asia, including Japan.

The new firm was capitalized at 32 million yen, with 75 percent of equity shares owned by Yamaha Motor of Japan and the remainder by Yamaha Motor Taiwan, it said.

Government Plans To Launch Diplomatic Activities

OW2904080094 Tokyo KYODO in English 0744 GMT 29 Apr 94

[Text] Tokyo, April 29 KYODO—Japan's new Prime Minister Tsutomu Hata and some of his key ministers will launch a flurry of diplomatic activity next week despite his cabinet's lack of a strong power base.

Hata inaugurated a minority cabinet Thursday—the first such cabinet in 39 years—after three weeks of political infighting within the ruling coalition.

The resultant withdrawal of the Social Democratic Party [of Japan—SDPJ], the largest ally in the coalition, leaves the governing body as a minority force in both chambers of the Diet.

Despite the bleak outlook for his administration, the prime minister will visit Europe during the holiday-studded "golden week" while most Japanese are enjoying several days of leisure, to make his international debut in Japan's top political post.

Hata, who served as foreign minister and concurrently deputy prime minister in the cabinet headed by former Prime Minister Morihiro Hosokawa, is expected to leave Monday for a six-day tour of Italy, France, Germany and the European Union's headquarters in Brussels.

During the European trip, he aims to start building personal relationships with European leaders before attending July summit of leaders from the Group of Seven (G-7) major industrial powers in Naples, Italy, government sources said.

Hata will tell his European counterparts that he will take over and develop Hosokawa's economic reform policies, they said.

Meanwhile, newly appointed Foreign Minister Koji Kakizawa will visit several Middle East nations between May 2 to 8 to promote the Middle East peace process, Foreign Ministry officials said.

The trip will take Kakizawa to Egypt, Israel, Jordan, Syria and the occupied territories.

He is scheduled to meet Egyptian Foreign Minister 'Amr Mahmud Musa, Israeli Prime Minister Yitzhaq Rabin and Foreign Minister Shim'on Peres, Jordanian Prime Minister and Foreign Minister 'Abd- al-Salam al-Majali and Syrian Foreign Minister Faruq al-Shar', the officials said.

They said the foreign minister may also meet Palestine Liberation Organization Chairman Yasir 'Arafat during his trip.

For his part, Japan's new Trade Minister Eijiro Hata will attend an international conference of economic, industry and trade ministers from western industrial nations and East European countries to be held May 6-7 in Warsaw.

The conference is expected to take up three major topics—investment promotion in Eastern Europe, how to smoothly privatize formerly state-owned enterprises, and East-West trade promotion, the Ministry of International Trade and Industry [MITI] said.

The Warsaw gathering will be the third of its kind, following one in Munster in 1992 and another in Tokyo last year.

MITI officials said Japan hopes to explore the possibility of resuming the stalled "framework" trade talks with the United States when the minister meets his U.S. counterpart in Warsaw.

A top White House official recently said the U.S. would welcome the opportunity to resume the talks following the installation of a new Japanese Government.

Japan hopes to settle its protracted trade dispute with the U.S. before the G-7 summit in Naples pledging a second package of market- opening measures in June to reduce its huge trade surplus with the U.S.

The two countries have been unable to resume the trade talks that broke down in February over failure to iron out differences on "objective criteria" for gauging foreign access to Japanese markets.

Meanwhile, Finance Minister Hirohisa Fujii will attend the annual conference of the Asian Development Bank (ADB) slated for Tuesday through Thursday in Nice, France.

On the domestic political front, other coalition leaders are expected to devote themselves to canvassing support for the new government among reform-oriented legislators of the top opposition Liberal Democratic Party and the Social Democratic Party, political analysts said.

At the first news conference after taking office Thursday, Hata said, "Although my administration will face difficult times... I will ask the SDP to cooperate with us on whatever policies they can, such as the legislation of budget bills."

"I will also ask the LDP to cooperate with us, as I believe the LDP will also be ready to cooperate on agreed-upon policies," he said. "The LDP was once our colleague with whom we used to run the government together."

However, both the LDP and the SDP immediately rebuffed his plea, pointing their fingers at Shinseito [Japan Renewal Party], an LDP breakaway, in an apparent reference to the dominance of Shinseito Secretary General Ichiro Ozawa in the policy-making process.

Despite the bleak political scene, a record 455,000 people are expected to leave for trips abroad during the golden week, representing a 20.5 percent rise over the same period of 1993, the Japan Travel Bureau Inc. (JTB) predicted.

Hawaii tops the list of destinations, followed by Hong Kong and tourist spots in South Korea.

Hata Holds News Conference After Cabinet Formed

OW2804145494 Tokyo NHK General Television Network in Japanese 1125 GMT 28 Apr 94

[News conference by Prime Minister Tsutomu Hata with three deans of the press corps and unidentified correspondents at the prime minister's official residence in Tokyo—live]

[Text] [Hata] Now, we will open the news conference. Before fielding questions at this news conference, I would like to say one thing. Former Prime Minister Hosokawa announced his resignation on 8 April and I do not want to mention what has happened since he made that announcement. I was elected prime minister at sessions of both houses of the Diet on 25 April. Looking back at the past eight months, I believe that the coalition government created a new politics in Japan, and I have taken pride in creating such new politics in our nation. Therefore, I have called on the Social Democratic Party of Japan [SDPJ] to join my coalition government and cooperate with it. This morning, I met with SDPJ Chairman Murayama and SDPJ Secretary General Kubo, but regrettably, we failed to reach an agreement on together forming a new coalition government. I would like to apologize to the people for delaying the formation of my cabinet. In any case, I have now assumed important duties as prime minister at this difficult time. What is more, my cabinet is a minority coalition government and I anticipate that my cabinet will face many difficulties. I think that I and my cabinet members will cooperate with each other and do our best to move Japan forward. In that sense, I would like to ask all of you to give us guidance and understanding.

[First dean of the press corps] Mr. Prime Minister.

[Hata] Yes?

[First dean of the press corps] First, the deans of the press corps will ask questions, and then other reporters will ask their respective questions. I would like to hold this news conference that way. As the prime minister just said, it was regrettable that the SDPJ broke away from the coalition government. With the SDPJ staying out of the coalition government, the Hata cabinet will become a minority coalition government for the first time in 39 years. I anticipate that the Hata cabinet will encounter many difficulties in the future. I also anticipate that the Hata cabinet will find it difficult to run the Diet, and to get the Diet to pass bills. The instability of the Hata government will have an impact on Japan's politics and the people's lives. Mr. Prime Minister, I would like to ask your resolve, intention, and strategy to cope with these difficulties.

[Hata] As you just pointed out, with the SDPJ breaking away from the coalition government, my cabinet has now become a minority coalition government. I believe that my cabinet will face many difficulties in the future. With regard to the budget for fiscal 1994, when I met with SDPJ Chairman Murayama and the secretary general, they said that since they worked with us in mapping out the budget draft, they would cooperate with us as much as possible from the viewpoint that such cooperation is good for our nation. As for the Liberal Democratic Party [LDP], members of the LDP are my colleagues who ran the government for a long time. Our coalition government will be at odds with the LDP over some issues. Although the SDPJ quit the coalition government, my coalition government will carry out policies on the basis of a set of agreements previously reached among the ruling coalition parties, and I think that I will be able to ask the LDP to cooperate with my coalition government in carrying out policies. I will seek such cooperation from the LDP at every opportunity.

[First dean of the press corps] I have heard that the LDP and the SDPJ have announced that they would cooperate with each other in confronting the coalition government. If those opposition parties do as they announced, the coalition government can only get the budget to pass in the Diet, but it would not be able to do anything without their cooperation. I think the coalition government will be reduced to a cabinet charged with only handling the budget, and then general elections will be held after the House of Representatives is dissolved. Mr. Prime Minister, you have taken pains to introduce the combined system of proportional representation and single-seat constituency while promoting political reform. Mr. Prime Minister, do you anticipate a situation where a bill on the demarcation of constituencies is shelved and then the House of Representatives is dissolved? How are you going to deal with such a situation?

[Hata] As for your question, during today's meeting, SDPJ Chairman Murayama and SDPJ Secretary General Kubo told me the SDPJ will not back away from reforms. The Hosokawa coalition government initiated the political reform for the first time in 70 years, and the people have supported the initiative. In the past, the SDPJ cooperated with us in promoting political reform while overcoming truly painful and tough difficulties. If political reform is set back, Japan's politics would be made to look ridiculous and there would be no genuine politics in Japan. Originally, the Diet was a venue where politicians with varying positions held debates. Policy debates are held to move forward our nation and people. Many of the LDP members take the view that political reform should be promoted. As for the political reform bill, almost all LDP members supported it, and the bill was passed in the Diet. Given this history, I am convinced I will be able to obtain cooperation from each political party in getting the bill on reforming the current tax system to pass in the Diet. I believe we are not in a situation where the House of Representatives needs to be dissolved.

[Correspondent] A conclusion will be drawn on how to reform the current tax system in June, and I think that reforming the current tax system will become the most important task for the coalition government. With the SDPJ breaking away from the coalition government, however, the ruling coalition parties would have difficulty pushing for reform of the current tax system. The coalition government also would find it difficult to raise the consumption tax. Mr. Prime Minister, how will you take political responsibility if and when a bill on reforming the current tax system is rejected by the Diet? How are you going to cut taxes next year?

[Hata] I would like to answer your last question. The ruling coalition parties have decided to cut income tax for only one year in the course of discussing how to reform the current tax system when the Hosokawa government was in power. I believe that the people and the coalition partners invariably feel the need to continue cutting income tax forever. Cutting income tax will incur a fall in the fiscal revenues. The prolonged recession has resulted in a fall in fiscal revenues. If the income tax continues to be cut, it will cause other major fiscal problems. It is impossible to deal with the fiscal deficit by issuing deficit-covering bonds. In any case, the budget for fiscal 1994 will register a deficit of more than 200 trillion yen this summer. While Japan is becoming a senior-citizen society, nobody wants taxes increased to deal with such a society. When we think that we will have to practice responsible politics, we have to discuss how to reform the current tax system by the end of June. I think the coalition government needs to do its best to get a bill on reforming the tax system to pass in the Diet. I would like to refrain from predicting whether the bill will be passed or not in the Diet. In order to make Japan stable in the future, debates should be held on how to increase the people's tax burden. I believe that if such debates are not held, the issue of reforming the current tax system will be deferred until later. As I said in my statement, I intend to seek the people's understanding of the need to reform the current tax system while appealing to them. I also think I need to indicate to the people that reforming the current tax system will improve their lives.

[Correspondent] This is not related to the previous question. Under the current circumstances in which tension has been mounting regarding the issue of suspected DPRK nuclear arms development, former Prime Minister Morihiro Hosokawa has been thinking about Japan's defense and has undertaken efforts to have his ideas reflected in the fiscal year 1995 budget during informal meetings on defense issues. Mr. Prime Minister, do you intend to continue along this line?

[Hata] Yes, I do. Regarding this issue, the problem of what to do about national security in the post-Cold War era is being discussed by people from the private sector in the informal meetings which you have mentioned. Broad discussions on the entire issue should of course be conducted, but I feel we should have second thoughts about deciding to do one thing or another without first arriving at a conclusion. In any case, we will deal with the issue of the budget while having thorough discussions, on the results of which we plan to place great emphasis.

[Correspondent] Concerning the currently stalled Japanese-U.S. framework trade talks, what is your outlook regarding resumption of the talks? Do you have any plans toward breaking the impasse, such as you yourself visiting the United States or sending the foreign minister?

[Hata] As for breaking the impasse, I recently held a meeting with U.S. Trade Representative Mickey Kantor in Marrakech. We agreed to keep our doors open at all times and mutually acknowledged our problems. Therefore, we now plan to consider taking advantage of such opportunities to be able to always conduct debates in a calm manner. In any case, the biggest reason that we started the framework trade talks was the fact that Japan had a huge trade surplus. This does not merely concern Japanese-U.S. relations, but, for example, it also means Japan has a huge current account surplus with the EU and other countries. Therefore, when the framework trade talks broke down in the early hours of 11 February, I told members of relevant government ministries and agencies that this does not mean Japan and the United States would do one thing or another because matters have been settled, but rather that even though negotiations have broken down, Japan, after all, needs to open its markets. This is what the Hosokawa administration has advocated since its inauguration. Japan should then be invigorated in the process, resulting in improving the livelihood of the Japanese people. Therefore, we should take the initiative to carry this out. It has been decided that we will include in the outline of the economic reform, which was announced on 29 March, plans designed to ease or remove the government regulations in June and plans to form a committee on administrative reform that would include members from the private sector. In the process of carrying out such plans, we must of course hold discussions with the United States. The time is not right for me to visit the United States. Anyhow, I would like to study this in the future. After all, Japan and the United States must understand each other regarding economic issues. The two nations have been cooperating on political and security issues and global issues, such as the environment and AIDS. However, if they fail to get along on economic issues, the peoples of both nations will become frustrated. The exchange of harsh words between the two nations have given rise to anti-American or anti-Japanese sentiments in the past as well. Therefore, no matter how well the two nations may seem to be getting along, we feel it is necessary to promptly work toward bringing about a situation where both nations can cooperate with each other regarding economic ties. This will not only be beneficial to our nation, but it should also serve to indicate one possible direction to the peoples of other countries of the world, who are anxiously watching the situation. I would also like to confirm that what Japan and the United States talk about will not only be beneficial for the two nations, but that the results of such talks should be spread equally among other countries of the world.

[Correspondent] Regarding the situation on the Korean peninsula, I think it is basically understood that the issue would be settled through dialogue. However, when U.S. Defense Secretary William Perry visited Japan recently, he indicated the possibility of imposing sanctions against the DPRK through multilateral efforts under a framework other than the United Nations in case this cannot be carried out by the United Nations. Do you intend to endorse this idea?

[Hata] Regarding this issue, as you may now be well aware, I regret to say it has been reported to the United Nations that the International Atomic Energy Agency was unable to conduct a thorough inspection. Even under such circumstances, the United Nations discussed the matter primarily within the UN Security Council. It decided that, at this stage, instead of adopting a resolution for imposing sanctions or other measures, it would issue a statement urging the DPRK to first of all allow thorough inspections of its nuclear facilities and calling on both the DRPK and the ROK to exchange special envoys and declare the Korean peninsula free of nuclear weapons. Therefore, I believe that at this time, it is of utmost importance that we ask the DPRK to respond to the international community and open its heart to erase such suspicions. For this reason, we naturally would like to continue urging other nations to try to maintain holding adequate talks with the DPRK. Generally speaking, however, if the United Nations makes a certain decision, I feel Japan should offer to cooperate within the limits of the Constitution. Regarding the last part of your question, this is not the appropriate time to discuss such an issue.

[Correspondent] In that connection, regarding the revision of laws within the framework of the Constitution in case of emergencies, to what extent do you intend to deal with the issue of enacting emergency legislation?

[Hata] This does not concern only the issue of DPRK's suspected nuclear arms development. There naturally may be discussion of issues such as our country's security and stability or contingency plans in the event that something should happen. At this time, however, we have no plans about what to do immediately in such a case.

[Correspondent] That concludes questions by the deans of the press corps. Other correspondents may feel free to ask questions now.

[Correspondent] Mr. Prime Minister.

[Hata] Go ahead.

[Correspondent] Regarding the formation of a unified parliamentary group which triggered the breakup of the coalition, we feel that was a very clever move. We also believe that it runs counter to the political stance you have taken thus far. Were you not able to restrain such moves after you became prime minister and were you not angered by them? Can you tell us about this?

[Hata] Concerning this problem, I have frankly told members of the SDPJ that I regret that this has happened after they had cast their votes for me, particularly when I was in the midst of selecting cabinet ministers. Since there are many parties in the coalition alliance, I have always felt it would be better if there could be improved mobility in dealing with various problems and if everyone could conduct debates in as few places as possible. Frankly speaking, however, I did not know it had gone this far. At the time I learned about it, I was in the midst of carrying out official duties instead of being involved with the affairs of my party. In that sense, there was a problem. However, by the time I heard about it, I was told that the SDPJ had already approved of the idea, and that Komeito [Clean Government Party], too, had approved it. Moreover, there were rumors at that time that the SDPJ would be joining the upper house parliamentary group Shin Ryokufukai. Under such circumstances, I felt at that instant that it was wonderful that things were proceeding so smoothly. In reality, however, as talks proceeded, I became aware that there were misunderstandings. I regret to say that by that time, things had already gone too far. Regarding this point, I felt it necessary to make sincere apologies to the SDPJ, and that is exactly what I tried to convey to the SDPJ today.

[Correspondent] In that regard, I believe a lot of public confidence in the political system was lost due to such falterings. What do you intend to do to regain the people's confidence?

[Hata] All right. Concerning this point—naturally it must be about the fact that this is a coalition government. Frankly speaking, I feel the difficulties facing a coalition government have been exposed. However, I do not feel that those who came up with ideas or put their ideas into action did so with evil intentions. I wonder why talks could not have been held in such a manner that everyone could understand each other within the framework I have mentioned earlier. On this point, I have made sincere apologies to the SDPJ, as I already mentioned. Therefore, such misunderstandings should be avoided from now on, although people always have misgivings about many things. Being obsessed with something can often lead a person to make mistakes. Regarding such points, it is thus necessary to create an environment in which frank discussion can be held, particularly in case of a unified parliamentary group. It is more so when it comes to supporting a minority government. In that sense, I strongly feel we need to strive harder to create a place for conveying our thoughts to each other.

[Correspondent] Mr. Prime Minister.

[Hata] Go ahead.

[Correspondent] It seems Sakigake [Harbinger Party] and the SDPJ pulled out from the coalition alliance because of the ruling coalition parties' decision-making process. In the future, do you have any plans to reconsider the current decision-making process centering around the party representatives' caucus, or do you have any new plans to replace this process?

[Hata] Well, it is true that we disagreed during the process of reaching policy agreement. However, I think we felt we disagreed because we had candid arguments expressing what each party or individual felt. Those who, we thought, were at loggerheads with each other, were beginning to form fiduciary relations or friendships among themselves. It is true that we were not in accord. However, I think it appeared very clear to the people what we were arguing about. Every one of us has a different background and different beliefs. Therefore, it was natural for us to argue with each other. After the arguments, however, we felt for sure that we could find a new direction. We are all politicians who are responsible for guiding the country. I strongly felt that I had to do what I had to do even at the risk of sacrificing my private feelings

When I was talking with American officials, they told me that they had frequent arguments with European and Canadian officials. They told me not to take it too seriously even if I had heated discussions with others. Despite heated discussions, they mutually feel friendship when they meet next time. Therefore, I think it is important to have freer arguments.

[Correspondent] The coalition became a minority immediately you were elected for the post of premier. I think the people remain unconvinced of the fact that your administration is supported by the minority coalition. I think many people feel it is a matter of course for your administration to dissolve the cabinet immediately after approving the budget, and to seek the judgment of the people. What do you think of such an opinion?

[Hata] As I have been explaining, the discord was created by mutual misunderstanding. When I met them, I told SDPJ Chairman Murayama and Secretary General Kubo that we still have not given up hope of having the SDPJ in the coalition again. We mutually crossed the barriers and cooperated with each other during the past eight months. The SDPJ was not the only party who made compromises. We made concessions too. We are beginning to use words which we hardly ever used when we were members of the Liberal Democratic Party. For example, a company building becomes big as the company grows bigger. However, its employees may still spend two hours or two and a half hours, or some people many spend four or five hours, for commuting. Among other things, we realize that we have to deal with such issues.

Therefore, needless to say, our door is still open as I told the SDPJ leaders today. I told them we will continue our efforts to help them understand us better. I also told them we will continue our efforts to form a new coalition. We will not carry out state affairs by taking the decision, which we have been discussing, as the final conclusion. We would prefer to try to seek a chance to join hands once again.

As I look back at the things that have happened during the past eight months, it is true that we did some things which angered the SDPJ. However, we need to forthrightly apologize to the SDPJ for the mistakes we made, and to realize the significance of the coalition we had in the past eight months. We also should realize that Japan's new course is about to be formed as a result of our mutual concessions. While explaining this point, we will try to assume a stance which will enable us to somehow gain cooperation from the SDPJ. For that purpose, I will do my best.

[Correspondent] Certainly, the formation of the parliamentary group "Kaishin" helped lead to the departure of the Social Democratic Party of Japan from the coalition. But this was only one reason. For the past eight months, the SDPJ's distrust of other coalition partners has deepened, and the formation of Kaishin made the party decide to secede from the coalition. This is what SDPJ members and many people have said. Thus, I believe differences in opinion on the formation of the parliamentary group are not the only reason that the SDPJ had to secede from the coalition and the Hata cabinet has become a minority ruling government. There were many cases in the past in which the SDPJ and other coalition partners failed to reach an agreement. I think the coalition government should have a sense of remorse about this.

[Hata] We have a sense of remorse over our acts. But I do not think that we failed to reach an agreement on everything. Among SDPJ members who have agreed to support the coalition government, some are very angry about the formation of Kaishin. We should take this fact seriously. We have to reflect on this fact. We have faced many difficult issues for the past eight months. When we faced these difficulties, strong leadership was required to overcome them. SDPJ Secretary General Kubo said that it was very tough to tide over one problem—the difficulty of achieving tax reform—after all of the other difficulties, I fully understand his comment. I think it is important that while reflecting on past mistakes, we should create an environment wherein decisions can be made through negotiations. I still have not given up. We have achieved many things in the past eight months, although it was a very short period. This will be historically acclaimed in the future. I believe other people also think this way.

[Correspondent] In describing your relations with Shinseito Chief Secretary Ichiro Ozawa, you recently said that Ozawa is the person who draws up scenarios and you are the one who acts on them. Mr. Ozawa commented on the formation of the new cabinet this afternoon, saying [words indistinct]. Does this division of roles still exist? Or since you have become the prime minister, will you draw up scenarios by yourself?

[Hata] Maybe because of the news media's access to a large amount of information, you all tend to report as truthful everything people say, as if their statements were always a reflection of reality. When I was asked by correspondents about my relations with Ozawa at a time I was about to ride on a bullet train after canvassing, I told them that you cannot do things by yourself. You can draw up scenarios, but actors do not always act on scenarios. Actors may choose their favorite scenarios and sometimes ask writers to rewrite them. I said this to them. It seems that you have taken what I carelessly said the wrong way.

At least, I have been in the political world for 25 years and have been faced with problems in completely different fields. I have had much experience with role-playing based on scenarios of my own design.

When I was foreign minister, I could not do anything but attend to my official duties. You must have someone to take care of party affairs. My relations with Ozawa are something like that. Somebody said that I consulted with him over the issue of the cabinet lineup. In former times, a prime minister, when forming his cabinet, always consulted with the party secretary general. You cannot do things by yourself. A rumor has it that we yelled at each other in a bathroom. We did not do any such thing. However, since we have been friends for 25 years, we can actually help each other by yelling at each other. He does not interfere with the things I do. On other occasions, he may ask me to help him out. I would like you to understand that our relations are like this.

[Correspondent] The new cabinet is supported by a minority ruling coalition, and you yourself said earlier that the situation was very severe for you. Some of the people are worried that your administration may be short-lived. How would you respond to that?

[Hata] Well, I do not believe that people are saying that. I know the news media have said that the new cabinet will not last long. Anyway, if we steadily implement our policies, and if the people think what we are doing is right, we will be able to gain the people's understanding. At the same time, I strongly hope to create circumstances in which the Social Democratic Party of Japan can agree on our policies and cooperate with us in carrying them out.

[Correspondent] I have the feeling that because the SDPJ left the coalition, the Hata cabinet might take the same political stance as the Liberal Democratic Party. Could you explain differences between the Hata government's political techniques and styles and those adopted by the LDP-led governments of the past?

[Hata] The coalition is composed of Komeito, the Democratic Socialist Party, and other parties which were opposition parties eight months ago. Therefore, it is impossible for us to adopt the same political stance as the LDP did when it was in power. I want to stress that the coalition government, established eight months ago, was the first such government in 38 years. Under the Hosokawa coalition government, I had to make hasty decisions in time for deadlines set to deal with various issues. At that time, I was criticized as being high-handed and hard on others. I think that as the coalition government gradually matures, we will begin to respect others' opinions and styles, to compromise with each other, and to seek new things. In short, we will begin to seek new measures to improve the living standards of the people. As I said earlier, the Hosokawa coalition government began to pay attention to issues concerning the environment and working people, which the LDP did not. I think this is the result of our 8-month-long learning process, and I evaluate this highly.

[Correspondent] What will be the priority tasks to be tackled by the Hata government? I am sure there are many urgent tasks.

[Correspondent] Mr. Prime Minister, what tasks will your coalition government emphasize?

[Hata] The political reform bill was passed in the Diet, and it is necessary to establish the major elements of political reform. We need to do that. I think that one of the coalition government's major tasks is to create a new political system in Japan. Although it is said that Japan's economy is now showing some signs of recovery, its recovery is not certain. Looking at the unemployment rate, we cannot be optimistic about the economic recovery. Japan's politics and enterprises are doing something to help foster economic recovery. I believe the coalition government is now expected to abolish or ease regulations, promote administrative reform, and establish an open information system. Therefore, the coalition government will have to work on those issues. As I said just a while ago, the coalition government will have to work on addressing the issue of the ratio of direct to indirect taxes in total tax revenues. The coalition government will also have to work on cutting the income tax while pursuing a welfare policy. The coalition government will have to upgrade the current social structure to prepare for a society of senior citizens. The coalition government has those tasks. I believe that it is important to make known the current situation to the people and ask them to share burdens to deal with the issues. What I realized while serving as finance minister and foreign minister is that all of the nations of the world—including industrialized nations, nations in transition from planned economies to capitalist economies, developing countries trying to take off, and other developing countries—pin high expectations on Japan. They do not expect only money from Japan. They ask Japan to transfer technology and other know-how and cooperate with them in other fields. Japan should make international contributions in response to other countries' requests. Japan should also help with the reconstruction of war-ravaged nations and provide aid to nations plagued by conflict. This is what the outside world expects from Japan. I believe that if Japan fails to play a proper role in the world and make international contributions, it will be impossible for the nation to further develop itself. I think that those are tasks the coalition government should take on in the future.

[Correspondent] Mr. Prime Minister, on the day when former Prime Minister Hosokawa announced his resignation, you asked what Japan will be like and said that you were fretting about Japan's future. What sort of message does the coalition government intend to send to the rest of the world?

[Hata] As I stated briefly a while ago, I intend to help the international community understand that Japan is an open nation. At the same time, Japan inflicted mental wounds on people in many nations during the past war, and some of those people lost their lives. I believe that Japan must engage in candid soul-searching regarding what it did to those people. Japan has so far followed the path of peace while engaging in such soul-searching. All nations of the world have understood what Japan has done, and they have supplied Japan with resources while seeking manufactured goods from our country. Japan has become the industrialized nation it is thanks to their cooperation. Japan would not have been able to become the industrialized nation it is if all the nations of the world had not understood our country. As I said a while ago, Japan should aggressively provide aid to developing countries and other nations trying to transform themselves. I believe that Japan is being asked to make clear that it intends to make international contributions toward world peace.

[Correspondent] Last year, the ruling coalition parties succeeded in seizing power from the LDP because of their cohesion. This time, however, the ruling coalition parties succeeded in remaining in power despite their minority role in the Diet. Mr. Prime Minister, what do you think of this contradiction?

[Hata] The SDPJ broke away from the coalition government over the issue of forming a parliamentary group. SDPJ Chairman Murayama and SDPJ Secretary General Kubo told me that the SDPJ will cooperate with the coalition government in dealing with such issues as political reform and the budget. As I said at the outset of this news conference, the LDP supported the coalition government on major policies in the Diet. Looking back at various things that have taken place in the past, I am convinced that when I strive for the sake of our nation to transcend the power struggle and I work to move our nation forward, the SDPJ and the LDP will cooperate with me.

Hosokawa Discloses Failure To Report Profit

OW2204025994 Tokyo KYODO in English 0236 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—The office of Prime Minister Morihiro Hosokawa said Friday [22 April] Hosokawa has failed to report investment profits of 29 million yen but denied there was any illegality.

Hosokawa made a surprise announcement of his intention to resign April 8 to take "moral and political responsibility" for a fresh financial scandal and the current stalemate in the Diet.

"A new problem has come to light. New suspicions emerged that my political office entrusted a certain person with managing my personal financial means, raking in profits for a few years since 1981," the premier said.

"The suspicion is that his management may have involved some illegalities, although the person, who is my old friend, asked for permission to manage my personal money, saying it would definitely be invested in a profitable manner," he said.

On April 13, a former publisher of an economic magazine, to whom Hosokawa entrusted the funds, told reporters that Hosokawa lied about the investments in his resignation announcement.

Yusei Kuwahata, 60, said at a news conference, "Hosokawa's office made me out to be like a criminal, using me as a tool to make Prime Minister Hosokawa look clean."

From around 1981 to 1985, Kuwahata invested Hosokawa's funds and made profits for Hosokawa of 20 to 30 million yen, according to Kuwahata.

Kuwahata denied any illegality in his use of the funds in spite of Hosokawa citing "new suspicions" over the legality of his financial deals as one of the reasons for his resignation.

He said he did not invest the funds on the black market.

Yamanashi Bars Contractors Over Bid Rigging

OW2304044694 Tokyo KYODO in English 0416 GMT 23 Apr 94

[Text] Kofu, April 23 KYODO—Yamanashi Prefecture decided Saturday [23 April] to bar 508 construction firms from bids for prefectural construction works for two to three months beginning Sunday as a punitive action against their alleged involvement in bid-rigging, prefectural officials said.

The number of firms to be disqualified as a tender is the majority of the 564 companies affiliated with construction trade associations in the prefecture, they said.

As a result, the prefecture will be unable to call for bids for public works for two or three months, they said.

Cities, towns and villages in the central Japan prefecture may follow suit, the officials said.

Among the 508 firms, 422 cannot join tenders for two months and 86 for three months, they said.

The Fair Trade Commission (FTC) on April 8 asked all the eight construction trade associations in the prefecture to stop rigging bids for Yamanashi Prefecture's construction works, saying the organizations have systematically conducted such activities for 10 years.

The trade associations told the FTC on Thursday that they have accepted the advice. The FTC will calculate fines and impose them on member firms, FTC officials said.

FTC Searches Shutter Makers in Cartel Probe

OW2304143594 Tokyo KYODO in English 1415 GMT 23 Apr 94

[Text] Tokyo, April 23 KYODO—The Fair Trade Commission (FTC) have searched branch offices of four major shutter makers suspected of operating a cartel, sources within the commission said Saturday [23 April].

The offices, in Hiroshima Prefecture in western Japan, were checked to see if they were operating a cartel over private construction projects there, the sources said.

The four makers—Sanwa Shutter Corp., Bunka Shutter Co., Suzuki Shutter Mfg Co. and Toyo Shutter Co.—are suspected of conducting prearranged bidding and making secret price arrangements for construction projects in the prefecture for the past several years.

The FTC suspects the four makers of violating the antimonopoly law. It is also investigating branches of the four firms in other regions over suspected similar illegal activities, the sources said.

The head of the general affairs department of Toyo Shutter said the FTC made an inspection of its Hiroshima branch in January or February this year, but denied it was involved in forming cartels.

The four companies account for about 80 percent of the total sales of shutters in Japan, industry sources said.

Sanwa, Bunka and Suzuki are based in Tokyo and Toyo is based in Osaka.

EPA Official: IMF 'Underestimated' Outlook

OW2204100394 Tokyo KYODO in English 0949 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—The International Monetary Fund (IMF) underestimated the Japanese economy in its recent economic outlook, a senior Economic Planning Agency (EPA) official said Friday [22 April].

Tsutomu Tanaka, the EPA's vice minister, said the IMF did not sufficiently take into account the effects of Japan's economic stimulus package and signs of recovery seen lately in consumption.

"It is difficult to understand why the IMF revised down its projection for Japanese economy from the previous outlook issued lastfall," Tanaka said.

The IMF issued an outlook for world economy earlier this week, saying Japan's economy is expected to stay sluggish in 1994, with the annual growth rate remaining weak at 0.7 percent, revised down from a 2.0 percent growth forecast by itself last September.

Asked about a drop in the nation's February household spending, Tanaka admitted that the recovery is not yet strong.

"Because the recovery momentum is still weak, it is easily affected by such things as unfavorable weather," he said.

On Thursday, the government announced the February household spending dropped by 0.5 percent from a year earlier, ending a four- month streak of rise on year. It attributed the drop partly to snowfalls that prevented consumers from shopping.

Keidanren Seeks Review of Consumption Tax

OW2504103194 Tokyo KYODO in English 0924 GMT 25 Apr 94

[Text] Tokyo, April 25 KYODO—The Federation of Economic Organizations (Keidanren) on Monday [25 April] appealed to the new government of Prime Minister Tsutomu Hata to review the rate of consumption tax.

The federation also urged the government to take positive economic measures, including an increase of investment on public works projects by more than 100 trillion yen over the next decade.

It said the appeal was contained in a proposal timed to Hata becoming prime minister in place of Morihiro Hosokawa who stepped down over questions about financial impropriety.

The proposal also called for early enactment of the fiscal 1994 budget which is up for parliamentary approval and readjusting the yen's exchange rates against other currencies at optimum levels.

The proposal also expressed hope that the government will take action to remove economic frictions with the United States and other countries to overcome the recession.

The federation also urged the government to reduce income and corporate taxes by reforming the tax system and carrying out thorough deregulation in real estate transactions, housing, communication and information, and distribution sectors.

Vehicle Output Reportedly Falls 12 Percent

OW2504052094 Tokyo KYODO in English 0514 GMT 25 Apr 94

[Text] Tokyo, April 25 KYODO—Domestic production of cars, trucks and buses fell in fiscal 1993 for the third year in a row, slipping 12.0 percent to 10,849,827 vehicles for the biggest fall in nearly 50 years, the Japan Automobile Manufacturers Association said Monday [25 April].

It is the first time in the postwar period for the nation's four- wheel vehicle production to fall for three straight years, association officials said.

The latest annual fall was the largest since fiscal 1947, when domestic auto output took an 18.9 percent tumble, they said.

The three-year string of declines was produced by a prolonged auto market slump at home against the backdrop of the worst recession in decades.

For the fiscal year that ended March 31, production of passenger cars fell 11.8 percent to 8,199.790 as weak output of small cars offset a gain in larger cars.

Production of "compact" cars, or those with engine displacement below 2000 cc, shrank 20.0 percent to 4,826,387.

Output of cars with engines of more than 2000 cc rose 4.3 percent to 2,587,133, underlining the shift to such models away from compact cars.

Production of trucks declined 12.7 percent to 2,603,190, while output of buses went down 11.8 percent to 46,847.

For March alone, domestic automobile production fell 9.4 percent from a year earlier to 1,054,608 vehicles for the 18th straight month of decline, the association said.

Crude Oil Imports Said Up 4.2 Percent in Mar

OW2504080294 Tokyo KYODO in English 0716 GMT 25 Apr 94

[Text] Tokyo, April 25 KYODO—Imports of crude oil in March rose 4.2 percent from the year before to 149.26 million barrels, posting the second straight month of year-to-year gains, the Ministry of International Trade and Industry (MITI) said Monday [25 April].

As a result, crude oil imports for fiscal 1993 totaled 1,613.07 million barrels, up 0.3 percent from the preceding year and a gain for the seventh consecutive year.

The United Arab Emirates was the biggest supplier of crude in the reporting month with 39.63 million barrels, followed by Saudi Arabia with 27.05 million barrels, Iran with 18.30 million barrels and Indonesia with 12.39 million barrels, MITI said.

The amount of crude oil processed in March increased 4.0 percent to 136.24 million barrels, registering the third consecutive month of year-to-year gains. Processed crude for fiscal 1993 fell 1.7 percent to 1,473.37 million barrels, slipping from year-before levels for the sixth year in a row.

Fuel oil output for March came to 131.34 million barrels, up 5.1 percent for the eighth consecutive year-to-year rise. The annual total was given as 1,376.31 million barrels, up 3.2 percent.

Fuel oil imports for March rose 6.2 percent to 16.67 million barrels while fuel oil exports grew 4.0 percent to 10.13 million barrels.

Domestic fuel oil sales for March were up the fourth month in a row, rising 3.1 percent to 142.66 million barrels, a record for any month of March. Those for fiscal 1993 edged down 0.4 percent to 1,428.52 million barrels.

Labor Ministry Releases Report on Wages, Hours

OW2904084094 Tokyo KYODO in English 0810 GMT 29 Apr 94

[Text] Tokyo, April 29 KYODO—Japanese workers' average monthly wages showed the first year-on-year decline in 13 years in fiscal 1993, though a scant 0.1 percent, while annual working hours also declined by 50 hours, the government said Friday [29 April].

The Labor Ministry said in a report on the nation's labor situation for the year ended March 31 that average monthly basic salaries of workers at companies with 30 employees and more increased 2.7 percent from the year before to 272,743 yen.

But special allowances, including bonuses, declined 1.6 percent to 106,594 yen per month, reflecting the sluggish business climate.

Payments for overtime work also dropped 5.6 percent to 21,957 yen per month as companies cut back overtime hours during the recession.

As a result, workers' total monthly wages averaged 401,294 yen, up 1.0 percent from the year before. The ministry said the increase is the lowest since it started such a survey in fiscal 1970.

Taking into account the 1.1 percent consumer price hike in fiscal 1993, monthly average wages showed a 0.1 percent decline in real terms, it said.

Regarding working hours, the ministry said annual regular working hours in Japan averaged 1,777 per worker in the year, down 37 hours from the year before.

Overtime hours averaged 131 for the year, down 13 hours.

In total, annual working hours came to 1,908 per person, down 50 hours from the year before, the ministry said.

The government has long promoted a reduction of Japan's notoriously long annual working hours to 1,800.

In fiscal 1992, annual working hours declined by 50 to 1,958, with regular hours dropping by 24 and overtime hours by 26.

Compared with the 1992 figures, regular working hours declined more than overtime in 1993.

A ministry official said the trend was because many companies reduced their regular hours last year ahead of a planned law revision in April requiring a cut in regular working hours to 40 hours a week.

Urges Greater Job Training Role

OW2204025894 Tokyo KYODO in English 0228 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—Labor Minister Chikara Sakaguchi said Friday [22 April] local and central governments should take a greater role in job training.

Job training is focus of a new medium- and long-term program to be announced in May, he told reporters.

Up to now job training has been provided mainly by corporations. Both the central and local governments should review ways to take on some of the role in training workers along with the private sector, he said.

He pointed to the need to study how to deal with job training at small and medium-sized companies, which account for roughly 90 percent of all companies in Japan.

Mongolia

Chinese Premier Li Peng Arrives in Mongolia

LD2804153294 Moscow ITAR-TASS World Service in Russian 1150 GMT 28 Apr 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar, 28 Apr— Setting foot on Mongolian ground, I express deep respect for the friendly people of Mongolia, Li Peng stated today at Bayant-Uhaa airport. The premier of the PRC State Council has arrived in Ulaan Baatar on an official visit at the invitation of Puntsaqiyn Jasray, head of the Mongolian Government. Over the last two years China and Mongolia have been actively developing friendly relations and cooperation which corresponds not only to the national interests of each country, but also assists in strengthening peace and stability in the Asian Pacific ocean region, the welcoming message notes.

During the visit, talks are to take place between the head of the Chinese Government and Puntsaqiyn Jasray, there are to be meetings with Natsaqiyn Bagabandi, chairman of the Great Hural, and with Mongolian President Punsalmaagiyn Ochirbat.

At the outcome of the visit, a treaty is to be signed on friendly relations and cooperation between Mongolia and China, as well as a number of other bilateral documents.

The development of friendly relations with China has been and will be in the future one of the priorities in our country's foreign policy, Mongolian Prime Minister Puntsaqiyn Jasray stated today at a dinner in honor of Li Peng, the PRC State Council premier, who has arrived in Ulaanbaatar on a visit. The treaty on friendly relations and cooperation, which will be signed tomorrow, the head of the Mongolian Government said, "will open a fresh page in the history of our bilateral ties."

"We are certain that we have made the correct choice", Jasray emphasized, expressing gratitude to China for its support for Mongolia in surmounting the difficulties of the transitional period and its provision of interest-free credit and humanitarian assistance.

Despite the fact that in the 45 years since diplomatic relations were established, China and Mongolia have experienced "zigzags" in their relations, Li Peng said, recent times have been characterized by constant contacts between the leaders of the two countries and an expansion of ties. The present level of Chinese-Mongolian relations, he stressed, "has not been easily achieved, and we shall guard and develop them." The bilateral treaty, he said, will provide an impetus for further development of cooperation and will open up yet broader prospects for long-term joint actions.

The Chinese people, the PRC State Council premier said, is speeding up the process of renewal and implementation of an open economic policy, since a stably developing China contributes to strengthening the cause of peace and Asia's prosperity.

Nonaggression Treaty Detailed

OW2704124794 Tokyo KYODO in English 1225 GMT 27 Apr 94

[Text] Ulaanbaatar, April 27 KYODO—A China-Mongolia treaty to be signed during Chinese Premier Li Peng's visit from Thursday [28 April] will include a provision by which the two countries vow nonaggression against each other, Mongolian diplomatic sources said Wednesday.

The sources said that in the China-Mongolia Treaty on Friendly Relations and Cooperation, which will replace an earlier bilateral treaty dating from 1960, each side will pledge not to join military or political groups directed at the other.

Nor will they conclude any agreement with a third country which threatens the other country's sovereignty or security, according to the draft treaty.

The treaty, to be signed Friday between Li and Mongolian Premier Punsalmaagiyn Jasray, further says that neither country will allow a third country to use its territory to threaten the sovereignty or security of the other, the sources said.

Mongolia normalized ties with China in 1989 after years of hosting Soviet forces hostile to China.

Li will be arriving in Ulaanbaatar for a two-day visit after visiting the former Soviet republics of Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan.

'Political Consensus' Document Signed

LD2204093094 Moscow ITAR-TASS World Service in Russian 1654 GMT 21 Apr 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar, 21 Apr (ITAR-TASS)—Mongolia's leading political parties today signed a conciliation document aimed at overcoming the acute political crisis in the country which is in its second week. In the presence of President Punsalmaagiyn Ochirbat, leaders of the three parliamentary parties—the Mongolian People's Revolutionary Party, the Mongolian National Democratic Party, and the Mongolian Social Democratic Party—signed the document.

The document, called 'Political Consensus', stipulates in particular that at its spring and fall sessions parliament should adopt laws on public rallies and demonstrations, on free speech, freedom of the media, on the moral code of officials, and on fighting corruption.

The present crisis broke out 13 April after the Mongolian Democratic Union and a number of other opposition parties started mass actions in support of their demands for the government's resignation. They insisted that its socioeconomic program has failed and that it is unable to lead the country out of the crisis. They also called on the law enforcement agencies to urgently investigate all the accusations of corruption and abuse of power made against top officials.

Representatives of the opposition continue their hunger strike on the capital's central square until their demands are met. Supporters of the present government have also staged their own hunger strike. They have already refused food for six days now and state that they will end their hunger strike only after the opposition does the same. At the same time, the conflicting sides continue their mass rallies. 'Free microphones' are installed in the public places for all those wishing to express their opinions on the issues they are concerned about.

Antigovernment Rally Staged in Ulaanbaatar 23 Apr

LD2304214494 Moscow ITAR-TASS World Service in Russian 1325 GMT 23 Apr 94

[Text] Ulaanbaatar, 23 Apr (ITAR-TASS)—About 5,000 people marched through the Mongolian capital's central streets today, chanting slogans demanding the government's resignation and the dissolution of parliament. Then the demonstrators assembled on a city square to give moral support to Mongolian opposition members who have been on a hunger strike for 11 consecutive days. Following the hospitalization of several hunger strikers, 34 of them now remain. The opposition forces intend to use the hunger strike to compel the government to resign. Accusations of official corruption and discontent with government policy in spheres such as social welfare, education, and agriculture have served as the formal pretext for the protests.

No serious incidents occurred, with the exception of attempts by government supporters to use smoke bombs and firecrackers to hinder the demonstration. The security forces monitored [kontrolirovali] the situation, observed the demonstrators from afar and did not intervene in the events.

The country's President Punsalmaagiyn Ochirbat had a meeting with the hunger strikers several days ago. However, the hunger strikers, who were joined by former Vice President Radnaasumbereliyn Gonchigdorj, refused to stop their action in spite of attempts at persuasion. They say they will strike until the government agrees to make concessions.

Demonstration Termed 'Major'

LD2404132394 Moscow ITAR-TASS World Service in Russian 1148 GMT 24 Apr 94

[Text] Ulaanbaatar, 24 Apr (ITAR-TASS)—The center of the Mongolian capital today witnessed a major antigovernment demonstration for the second day running. According to various sources, between 3,000 and 5,000 citizens took part in it. The demonstrators, chanting slogans demanding the resignation of the Cabinet of Prime Minister [Puntsaqiyn] Jasray, have blocked the entrances to the building where the government is sitting. In view of the peaceful nature of the demonstration, the security forces units that came to the square have not interfered.

The latest demonstration in central Ulaanbaatar has become yet another move in the campaign of pressure exerted by the opposition on the government which its opponents call "corrupt." Active protests began two weeks ago when several dozens of mainly young Mongols went on a hunger strike, not expecting, according to them, to achieve their aim—to make the government surrender—by other means. However, while the conflict developed those on a hunger strike inclined toward a compromise, trying to achieve not the resignation of, but only a meeting with, the prime minister. They also want to receive from the government a document promising to carry out effective socioeconomic reforms. Among the demands is the need for decisive measures in the fight against crime and inadmissibility of the further impoverishment of the population.

According to Jasray, head of the Mongolian Government, he has no reason to resign. Meanwhile, an official investigation has been started into the accusations of corruption made by the opposition. Mongolian legislators appeared alongside government officials in them. Competent bodies promise to finish the investigation within two weeks.

Opposition Figures End Hunger Strike 25 Apr

LD2504152294 Moscow ITAR-TASS World Service in Russian 1229 GMT 25 Apr 94

[Text] Ulaanbaatar, 25 Apr—The hunger strike that was maintained for two weeks in the center of the Mongolian capital by representatives of opposition parties calling for the government's resignation ended today. This development follows Mongolian Prime Minister Puntsagiyn Jasray's refusal to sign with the activists the document they had insisted upon. At his meeting with the hunger strikers he justified his refusal by saying that neither the country's Constitution nor the law on government contained any provisions about prior conclusion of agreements with individuals or organizations on the resignation of the cabinet of ministers.

The prime minister urged the hunger strikers to respect the stand taken by the president, the recommendations brought by the National Security Council, and the decision passed by parliament, who all asked them to end their action.

At the same time the government pledged to take into consideration a number of demands issued by the hunger strikers. Laws on press freedom and on the struggle against corruption are to be drafted in the near future.

North Korea

Media Report on 26, 27 Apr U.S. Air Exercises

Radio Condemns 'War Gambles'

SK2904053794 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 28 Apr 94

[Text] According to a military source, the U.S. imperialists and puppets on 26 and 27 April staged a provocative joint aerial surprise attack exercise simulating a Northward invasion with the skies above Yongwol, Umsong, Kunwi, and Yoju in South Korea as the operational stage. Pacific-based fighter-bombers, pursuit-assault planes, vertical takeoff and landing assault planes, tanker planes, and an early- warning plan, and flying groups of the U.S. Air Force present in South Korean and the puppet Air Force, were massively mobilized in this war exercise, which lasted for two successive days.

The exercise was frenziedly staged under the command of an E-3 early warning plane, which is called the air-flying command post, with KC-135 tanker plane supplying fuel in the air. The purpose of this war exercise was to ensure the unified command of various attack airplane wings and to enhance combat-ready capabilities for cooperative surprise attack between the U.S. Air Force and the puppet Air Force.

On the other hand, the South Korean puppets frantically ran amok with artillery firing and helicopter operational exercises in areas close to the demilitarized zone [DMZ] in the military demarcation line.

The armed helicopter groups, which were mobilized in the sky above Paengnyon, Paju County, on 27 April, frenziedly staged a missile strike exercise, and armed helicopters and transport helicopters, which flew in the skies above Paju and Yonchon, and areas in Chorwon, South Korean Kangwon Province, ran wild with ground support exercises while making a low-altitude ultra low-altitude flights.

On 26 and 27 April, large-caliber artillery groups of the puppet Army in Chongda-ri and Yongsan-ri, Paju County, and Oksan-ri, Yonchon-up, Yonchon County, and Yulli-ri, Chorwon-up, Chorwon County in South Korean Kangwon Province, fired more than 100 shells into spots near the DMZ in front of our eyes, thus running amok with war frenzy.

These successive dangerous war gambles of the U.S. imperialists and the South Korean puppets timing to coincide with the "Hwarang" war exercises involving 1 million and hundreds of thousands of troops and civilians are further straining the situation on the Korean peninsula.

KCNA Denounces War Exercises

SK2904044194 Pyongyang KCNA in English 0433 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—The U.S. imperialists on April 26 and 27 mobilized Pacific-based fighter-bombers, pursuit-assault planes, VTOL [vertical takeoff and landing] assault planes, tanker planes and an early warning plane, and flying groups of the U.S. Airforce present in South Korea and the puppet Airforce in provocative joint air war exercises simulating a surprise strike at targets in the Northern half of Korea, according to military sources.

The exercise was staged under the command of an E-3 early warning plane in the skies above Nyongwol, Umsong, Kunwi and Ryoju of South Korea.

In a separate action on April 27, the South Korean puppets staged a missile strike exercise in the sky above the area of Phaju county, and exercises of support to the ground and airlifting on April 26 with helicopter gunships and transport helicopters in the skies above Phaju and Ryonchon and Cholwon, South Korean Kangwon Province.

On April 26 and 27, large-calibre artillery groups of the puppet Army in Phaju, Ryonchon and Cholwon Counties fired more than 100 shells into spots near the demilitarized zone.

These successive dangerous war gambles of the U.S. imperialists and the South Korean puppets timing to coincide with the "Hwarang" war exercises involving one million and hundreds of thousands of troops and civilians are further straining the situation on the Korean peninsula.

U.S.-ROK Air Exercise Reported 25 Apr

SK2704043794 Pyongyang KCNA in English 0421 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—The U.S. imperialists staged an air war exercise against the North Monday in the skies above Umsong, Tokjok Islet, Wonju and Yongwol, South Korea, with Pacific-based U.S. fighters and some 200 fighter-bombers, assault planes, observation planes and helicopter gunships belonging to the U.S. Air Force in South Korea and the puppet airforce under the command of an E-3 early warning plane, military sources said.

On the same day, the South Korean puppets held a firing exercise and a helicopter operation exercise as part of the Hwarang war exercise in a frontline area adjacent to the Demilitarized Zone along the Military Demarcation Line.

The premeditated military provocations are rendering the situation on the Korean peninsula more strained.

If the United States and the South Korean rulers continuously reinforce their aggression forces and unleash a nuclear war on the Korean peninsula, the provokers will never get off scotfree.

Paper Denounces U.S. Arms Buildup in South

SK2904045494 Pyongyang KCNA in English 0445 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—The scheme to reinforce the Armed Forces in South Korea, on top of tens of thousands of U.S. troops and up-to-date means of war deployed there, shows that the United States has not abandoned its intention to stifle the DPRK by military strength, taking issue with the fictitious "nuclear issue" of the DPRK, says NODONG SINMUN in a commentary today. Noting that the United States is reinforcing the aggression forces in South Korea, crying for "the increase of the capability of the U.S. forces in South Korea to counter a surprise attack by North Korea," the analyst says:

The U.S. seeks to find an excuse to pursue the policy of stifling the DPRK in kicking up a dust over the non-existent "nuclear issue" of the DPRK.

The U.S. Forces in South Korea and in Japan are the main lever in executing its Asia-Pacific policy. U.S. arms buildup in South Korea is motivated by the strategic aim to strengthen its domination over Asia and the Pacific with force.

"North Korea's surprise attack" advertised by the United States is nothing but a sophism to justify arms buildup in South Korea.

The United States' reinforcement of armament in South Korea poses a serious threat to the peace and security of the Korean peninsula and the Asian-Pacific region.

The United States must stop arms buildup in South Korea, not ignoring the desire of the people in this region for independence and peace.

Foreign Parties Accuse U.S. of False Propaganda

SK2804113094 Pyongyang KCNA in English 1025 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—Khalequzzaman Bhuiyan, convenor of the Central Committee of the Socialist Party of Bangladesh, in a statement April 7 charged that the United States was spreading a false propaganda without any evidence of "nuclear arms development" by the Democratic People's Republic of Korea and using the International Atomic Energy Agency and the United Nations for the purpose.

"It is an anachronistic dream to try to stifle socialist Korea and establish 'domination' over the world with nuclear weapons", he said, urging the United States to withdraw its forces from South Korea.

The Action Front of Malaysia in a protest letter to Kim Yong-nam on April 19 wrote that "development of nuclear weapons" by North Korea was, in actuality, a false propaganda invented by the West and that the South Korean authorities must not play into the hands of the United States which is seeking its political interests and hegemonism in Northeast Asia.

Foreign Groups Urge End to 'Hostile' U.S. Policy

SK2804112194 Pyongyang KCNA in English 1018 GMT 28 Apr 94

["The United States Must Promptly Renounce Its Hostile Policy Against the DPRK"—KCNA headline]

[Text] Pyongyang, April 28 (KCNA)—Foreign political parties urged the United States to promptly renounce its hostile policy toward the Democratic People's Republic of Korea aimed at isolating and stifling it.

Vassalo Anthony Joseph, general secretary of the Central Committee of the Communist Party of Malta, in a letter to the president of the UN General Assembly April 3 urged him to show deep interest in the resumption of DPRK-USA talks and pay due attention to the challenging act of the United States in unilaterally foiling the third round of DPRK-USA talks.

The letter strongly urged that the United States should withdraw all its military hardware including nuclear weapons and troops from South Korea and stop any manner of interference in the internal affairs of Korea including military action.

Amaral Matos, first secretary of the Maputo City Committee of the Mozambique Liberation Front Party, in a statement April 11 said the United States could never frighten Korea although it was putting unreasonable pressure on it in conspiracy with the International Atomic Energy Agency.

The statement warned that if the United States continue to resort to pressure on Korea with an anachronistic daydream, it would sustain a more ignominious defeat and meet with condemnations from the world people.

The Polish League of Communists "Proletariat" in a statement April 9 denounced the United States' hostile Korea policy aimed at isolating and stifling the DPRK and expressed full support to the recent steps taken by the DPRK with regard to the "nuclear issue" and to its stand manifested in them.

Daily Criticizes South for Barring Mun Mourners

SK2804051094 Pyongyang KCNA in English 0445 GMT 28 Apr 94

["Rude and Inhumane Barbarous Act"—KCNA headline]

[Text] Pyongyang, April 28 (KCNA)—NODONG SINMUN today carries a commentary hitting out at the South Korean authorities for blocking the southern trip of a delegation of the North side which had been invited to a memorial service on the one hundredth day after the death of the Rev. Mun Ik-hwan.

Recalling that the Rev. Mun was a pioneer of the reunification movement who fought till the last moments of his life for the reunification of the country, the common cause of the nation, and a highly reputed patriotic champion of reunification widely known to the compatriots at home and abroad, the analyst says:

The South Korean rulers had barred a mourners' group of the North side from going to Seoul to express condolences at the bier of the Rev. Mun in January and this time blocked the southern trip of a delegation of the North side which was to attend a memorial service on the one hundredth day since his death. This is a very immoral and rude act.

The national funeral committee for the late Rev. Mun Ik-hwan decided to hold the memorial service on the one hundredth day of his death as a national function and invited compatriots in the North and overseas. And the North side decided to send a delegation out of the noble sense of obligation for the deceased and his bereaved family and ardent desire for national unity.

Expressing condolences and honoring the memory of the deceased is rather a humanitarian matter than a political matter.

Such anti-human group of traitors as the Kim Yong-sam group which seeks confrontation and war in league with outside forces while lowering a checkbar on the Southern trip of fellow countrymen for mourning the deceased, must be removed from the nation.

Pomminnyon Denounces ROK for Blocking Mourners

SK2704103294 Pyongyang KCNA in English 1010 GMT 27 Apr 94

[Text] Tokyo, April 25 (KNS-KCNA)—The overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon), an organisation of civil reunification movement, published a statement Monday denouncing the South Korean rulers for blocking Koreans overseas from participating in the memorial service on the one hundredth day after the death of Rev. Mun Ik-hwan, a patriotic fighter for reunification.

The statement says:

"The South side's authorities, still antagonizing Pomminnyon, barred its delegation from participating in the function. This was an insult to the pure heart of condolence of overseas Koreans and an unjust act going against the desire of the 70 million fellow countrymen for reunification.

"Today when the United States and other foreign forces are deliberately increasing the military tension on the Korean peninsula, it is of great significance in hastening national reunification for delegates in the North, South and overseas to gather in one place to honor the memory of Rev. Mun Ik-hwan who passed away while devotedly working for the independence of the nation and great unity.

"The overseas headquarters of Pomminnyon urges the South side's authorities to renounce their hostile policy toward Pomminnyon and make efforts to accomplish the cause of reunification together with us."

Red Cross Urges Release of POW's Daughter

SK2704051694 Pyongyang KCNA in English 0447 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—Yi Song-ho, acting chairman of the Central Committee of the DPRK Red Cross Society, in a telephone message today to Kang

Yong-hun, president of South Korean Red Cross, urged the South side to take a humanitarian measure for Kim Chi-hyon and her brothers to receive medical treatment and have their livelihood protected in the North.

Kim Chi-hyon, 29, is the eldest daughter of Kim Pyong-chu, a soldier of the Korean People's Army who was arrested while active in the Jirisan guerrilla force during the Fatherland Liberation War and died after being released from prison where he had spent long years, refusing to be converted.

She had her ribs cut off in an operation, attacked with costal tuberculosis, but the inflammation has spread to the region of the vertebra. So she is in a critical condition.

The telephone message said Kim Chi-hyon has no family and relatives who can look after her at sickbed and no patrons who can take care of her younger brothers in the South. The only way of saving her is to bring her to the northern half of the country where free medical care is in force, the message noted, and continued:

We notify your Red Cross that if there is a problem of hospital fees and money for medicine and medical treatment which she has not paid yet, we are willing to pay them in her place.

The North and the South are in relations of confrontation which are abnormal politically and militarily. But humanitarianism of Red Cross is a most noble universal idea transcending the concept of confronting parties and of friend and foe. So we believe your side will accept our proposal with good will.

We hope your Red Cross will take an appropriate measure so that our proposal based on human and compatriotic love may be realised at an early date.

Foreign Groups Back Repatriation of POW's

SK2704231794 Pyongyang KCNA in English 1505 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—Burundian and Mozambican organizations strongly urged the repatriation of old Kim In-so and Ham Se-hwan, unconverted long-term prisoners in South Korea, to the northern half of Korea and the release of An Hak-sop, an old man.

Kim In-so and Ham Se-hwan who were soldiers of the Korean People's Army during the Korean war served more than 30 years in prison, after taken prisoners, for the mere reason that they refused to recant their belief. And An Hak-sop is now serving in prison for more than 40 years since he was arrested, charged with being "a spy of North Korea".

The Burundi-Korea Friendship Association and the Burundian Group for the Study of the Chuche Idea in a joint protest letter to the South Korean authorities April 19 said the repatriation of Kim In-so and Ham Se-hwan and the release of An Hak-sop accord with the humanitarian spirit and the UN principles on human rights and democracy.

The Mozambican committee for friendship with the people of the Democratic People's Republic of Korea in a statement April 13 said Kim In-so and Ham Se-hwan were living a life worse than death in South Korea without any protection, though they are sick. It strongly urged an immediate return of the old men who want to meet with their dear relatives and friends at home even at this late hour of their life. The South Korean authorities must know clearly that if they refused to return the old men, they would face curses and a stern judgement by the Korean people and the world people, warned the statement.

South Urged To Repatriate Korean War POW's

SK2604103594 Pyongyang KCNA in English 1009 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—The South Korean authorities, ignoring the unanimous demand of people at home and abroad, are persistently refusing to send back to the North Kim In-so and Ham Se-hwan who spent long years in prison, unconverted, after being taken prisoners during the war. This comes under fire in papers here today.

The South Korean Red Cross, in a telephone message to the North side on April 22, categorically refused their repatriation, alleging that they were not prisoners of war, but "offenders who killed innocent people" and they "acquired the nationality of South Korea of their own accord."

A NODONG SINMUN analyst says:

This is nothing but a far-fetched argument aimed at evading the responsibility for such criminal acts as unjustifiably detaining and persecuting them and keeping them in South Korea.

As the South Korean authorities kept them in South Korea, they had no other choice but to "acquire the nationality of South Korea" to eke out existence. If they wanted to remain in South Korea, why did they request the International Committee of the Red Cross to cooperate in their repatriation?

Still more preposterous is the allegation of the South Korean Red Cross that they are "offenders who killed innocent people." They were soldiers of the Korean People's Army and patriots who fought against the aggression of outside forces and for the peace and reunification of the country in the Fatherland Liberation War.

Thd assertion of the South Korean Red Cross that they do not fall under the category of the POW is a challenge to the international law and humanitarian idea and a sophism unacceptable to anyone.

The lonely old valetudinarian men with not many remain years are now maintaining the barest existence with toilsome physical labour. It is an humanitarian issue awaiting urgent solution to send them back to the North where there are their home towns and families and relatives.

If the South Korean Red Cross had a shred of national conscience and respected the humanitarian idea, it must send them back to the North at an early date in compliance with the Korean armistice agreement and the international law on pows, instead of obstructing their repatriation by raising unreasonable conditions under the manipulation of the authorities.

MINJU CHOSON says if the South Korean rulers persistently evaded their responsibility, they will face a stern judgement by the nation.

Rallies Protest ROK Nuclear Waste Dumping

SK2704044694 Pyongyang KCNA in English 0435 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—Mass rallies are being held across the northern half of Korea to denounce the criminal dumping of nuclear waste by the South Korean rulers.

At a mass rally held in Wonsan, a port city of culture and recreation on the East Coast, on April 23, the speakers said that the South Korean rulers had dumped into the sea nuclear waste amounting to 11,000 trillion becquerels, heavily destroying resources and causing women to give birth to deformed babies.

They bitterly condemned nuclear waste dumping as an anti-national, anti-human criminal act which can be committed only by those indifferent to the existence of the nation and heedless of international law.

The speakers at a mass rally held in Nampo, a port city on the West Coast, on April 26 said that the Korean people would never tolerate the heinous crimes of the Kim Yong-sam group reducing even the seas to a nuclear dumping ground, not contented with covering the whole land of the South with nuclear weapons of outside forces.

They stressed that all the compatriots at home and abroad will wage a more vigorous anti-U.S., anti-war, anti-nuke struggle to check nuclear waste dumping by the South Korean puppet clique and make the Korean peninsula a nuclear-free, peace zone without the danger of war.

Roundtable on Denuclearization Held in Japan

SK2804151494 Pyongyang KCNA in English 1503 GMT 28 Apr 94

[Text] Tokyo April 26 (KNS-KCNA) [dateline as received]—A Japan-Korea emergency round-table conversation on the denuclearisation of the Korean peninsula and the nuclear issue was held in Nagoya city on April 13 under the sponsorship of the Aichi Prefectural People's Council for Japan-Korea Friendship.

Mitsudoshi Omatsuzawa, secretary general of the Aichi prefectural headquarters of the Japan Social-Democratic Party, addressing the round-table conversation, said the joint declaration on the conversion of Northeast Asia into a nuclear-free, peace zone, which was issued between the Japan Social-Democratic Party and the Workers' Party of Korea in March 1981, is of weighty significance at present.

Noting that the Japan Social-Democratic Party assumes a heavy responsibility in making the Japanese Government approach the settlement of the problem with a right stand under the overflow of the informations slandering the Democratic People's Republic of Korea over the nuclear issue, he stressed the Japan Social-Democratic Party would support the independent, peaceful reunification of Korea.

Chongnyon Offices in Osaka Raided by Police

Police Search Denounced

SK2704044494 Pyongyang KCNA in English 0427 GMT 27 Apr 94

[Text] Tokyo, April 25 (KNS-KCNA)—Chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), Ho Chong-man, called an emergency press conference in Tokyo on April 25 regarding the forcible search of the Osaka Prefectural headquarters and branches of Chongnyon by the Japanese police, at which he read out a statement in the name of the Chongnyon Central Standing Committee.

The statment said:

At about 07:20 on April 25, the Osaka Prefectural police brought 56 mobile cars with more than 1,300 policemen to the prefectural headquarters of Chongnyon and made a forcible search of the headquarters' hall after creating an atmosphere of terror around the headquarters.

On the other hand, the Osaka Prefectural police forced the same search at branches of the Osaka Prefectural headquarters of Chongnyon.

The massive crackdown on the headquarters and branches of Chongnyon were the first of their kind in 39 years after the formation of Chongnyon. This shows how openly the Japanese authorities are suppressing Chongnyon.

Drawing attention to the fact that the Japanese reactionary authorities got more frantic in suppressing Chongnyon when nuclear row against the DPRK was being intensified, the statement said:

The Japanese Government must renounce at once its hostile policy towards the DPRK and repressive policy against the Korean residents in Japan. We demand that the Japanese Government and police stop immediately their unjustifiable suppression of Chongnyon and apologize for it.

We regard the illegal crackdown this time as a grave provocation against the Korean people.

On the same day, O Hyong-chin, vice-chairman of Chongnyon and chairman of its Osaka Prefectural headquarters, called a press conference and denounced the crackdown by the Japanese police.

Korean Residents Protest Crackdown

SK2804152594 Pyongyang KCNA in English 1514 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—Korean residents in Japan protested against the crackdown on the Osaka Prefectural Headquarters of the General Association of Korean Residents in Japan (Chongnyon) and its branches by Japanese police, according to KNS reports from Tokyo.

Representatives of the Federation of Korean Traders and Industrialists in Japan on April 26 demanded the Japan Police Agency to probe into the truth behind the murder of Vice-Chairman of the Federation Ku Cha-yong, saying that the forcible search into the Osaka prefectural headquarters of Chongnyon by Osaka prefectural police and assault on a Korean student are the result of the hostile policy of Japanese authorities towards the DPRK and Chongnyon.

On the same day, officials and compatriots under the Osaka prefectural headquarters of Chongnyon thronged to the Osaka prefectural police headquarters and strongly demanded it renounce at once the hostile policy towards the DPRK, stop suppressing Korean residents in Japan and apologize for it and immediately return the unconcerned materials seized from the Osaka prefectural headquarters of Chongnyon and its branches.

Song Chang-to, chairman of the Osaka Prefectural Committee of the Union of Korean Teachers in Japan, in his report at its emergency meeting on April 26, charged that the Japanese authorities made every effort to undermine the organizations of Koreans in Japan and obliterate the education of Koreans, before the war of aggression on Korea was unleashed by the U.S. imperialists in 1950, and called upon the teachers and students to cope with the subversive moves of the reactionaries within and without with heightened vigilance.

At the meeting, O Hyong-chin, vice-chairman of the Chongnyon Central Standing Committee and chairman of the Osaka prefectural headquarters of Chongnyon, called for smashing the subversive plots of the reactionaries within and without with united efforts and actively push ahead with the work.

Meanwhile, Vice-Chairman Paek Han-ki and director of International Department Kim Tae-hui of the Chongnyon Central Standing Committee met the cadres of Japan Social-Democratic Party [JSDP] on April 25 and asked for positive activities of the JSDP to stop the suppression of Chongnyon by the Japanese authorities and immediately renounce and rectify the hostile policy towards the DPRK.

Anti-Chongnyon 'Campaign' Condemned

SK2804115594 Pyongyang KCNA in English 1108 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—We who regard the dignity of the country and the nation as our life and soul demand that the Japanese authorities immediately stop the repressive campaign against Koreans in Japan and the General Association of Korean Residents in Japan (Chongnyon) and warn that their indiscreet acts may cause grave unpardonable consequences against history and the times.

This is stressed in a statement issued today by the Korea-Japan Friendship Association.

The police authorities in Osaka Prefecture, Japan, some time ago surrounded the Osaka prefectural headquarters of Chongnyon with the mobilization of 1,300 police before forcibly searching the hall of the headquarters and its four branches in Osaka. And members of the "Kanto Council of the Union of Patriots of Great Japan" staged an anti-Chongnyon, anti-DPRK campaign in front of the headquarters of Chongnyon and organs under its affiliation.

This hostile campaign came at a time when the United States, Japan and the South Korean authorities were rendering the situation on the Korean peninsula extremely strained over the "nuclear issue" and the Japanese Government authorities were openly calling for setting in-motion an "international cooperation system" to stifle the DPRK, says the statement, bitterly denouncing it as an intolerable provocation against the DPRK as well as Chongnyon and Koreans in Japan.

The statement continues:

The Japanese authorities' repressive campaign against Chongnyon is a mockery of and an insult to the far-sighted and conscience-minded personages and people of Japan who are making all sincere efforts to establish relations of good neighbourhood with the DPRK and live on good terms with it.

We expect that the Dietmen's League for the Promotion of Japan-Korea Friendship and conscience-minded personages and other people of Japan will pay deep attention to the grave situation and take resolute measures lest the DPRK-Japan relations should deteriorate and lead to an unpredictable misfortune.

Foreign Ministry Protests

SK2904050194 Pyongyang KCNA in English 0452 GMT 29 Apr 94

["DPRK Foreign Ministry Spokesman Urges Japanese Authorities To Stop Crackdown on Chongnyon and Apologize for It"—KCNA headline]

[Text] Pyongyang, April 29 (KCNA)—A spokesman for the DPRK Foreign Ministry in a statement today demanded that the Japanese authorities ponder over the grave consequences to be entailed by their reckless acts, immediately stop their crackdown on the General Association of Korean residents in Japan (Chongnyon) and Koreans in Japan and apologize for it.

Some time ago, the Japanese authorities sent scores of mobile police vehicles and some 1,000 policemen who encircled the Osaka Prefectural headquarters of Chongnyon and forcibly searched office rooms of the headquarters, residences of its leading officials and branch offices. Earlier, rightwing gangsters under the manipulation of the authorities swarmed to a central organ of Chongnyon and its affiliated organizations and kicked up a row, even murdering a businessman of Chongnyon.

"This is a hostile act of encroaching upon the sovereignty of Chongnyon and crudely violating the democratic national rights of Koreans in Japan and a challenge to the DPRK which cannot be overlooked," the statement says, and goes on:

"We cannot but take a serious note of the fact that the Japanese authorities are intensifying their suppression of Chongnyon and Koreans in Japan, while intentionally aggravating the situation over the fictitious 'nuclear issue' of the DPRK at the instigation of the United States.

"Chongnyon is a peaceloving organization whose activities are officially recognized by the Japanese authorities and the Japanese law and which enjoys full support of many countries and organizations in the world.

"There is neither reason nor ground for Chongnyon to be an object of crackdown by the Japanese authorities.

"Moreover, Koreans in Japan are innocent people who were forcibly taken to Japan and subjected to hard toil under the brutal Japanese imperialist rule, and their descendants. Therefore, special protection must be granted to them by the Japanese authorities.

"Far from apologizing for and liquidating the past crimes committed against the Korean people, however, the Japanese authorities are engaging in suppression of Koreans in Japan and their legitimate organizations. This is an unpardonable act.

"We will consider any crackdown on Chongnyon an encroachment upon the dignity and sovereignty of our Republic and decisively counter it."

The statement expresses the hope that all the progressive personages and broad sections of people in Japan and the world will continue to express support and solidarity for the righteous activities of Chongnyon for its democratic national rights and national reunification.

Party Cell Secretaries Hold Local Conferences

SK2804043994 Pyongyang KCNA in English 0429 GMT 28 Apr 94

["Conferences of Party Cell Secretaries at Provinces, Cities, Counties and Complexes"—KCNA headline]

[Text] Pyongyang, April 28 (KCNA)—Conferences of party cell secretaries took place in provinces, cities, counties and complexes after the national conference of party cell secretaries was held in Pyongyang.

The letter of congratulations sent by the great leader President Kim Il-song to the delegates to the national conference of party cell secretaries was conveyed to the conferences.

Reports and speeches were made at the conferences.

The conferences laid stress on carrying through the highly important tasks laid down in the letter of congratulations sent by the great leader to the national conference of party cell secretaries and in the letter "Let Us Strengthen the Party Cells" sent by the dear leader Comrade Kim Chong-il to the participants in the national short-course of the party cell secretaries, in order to make the party cells militant organisations which are unfailingly loyal to the party and the leader and defend and add lustre to the cause of socialism.

The conferences of party cell secretaries fully demonstrated the revolutionary faith and will to accomplish the revolutionary cause of chuche with credit by enhancing the militant function and role of the party cells, the lowest basic organisations of the party, and steadily strengthening and developing our party into an invincible revolutionary party.

The conferences adopted letters of pledge to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Cuban Press Agency Director Discusses Visit

SK2604104994 Pyongyang KCNA in English 1017 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—"President Kim Il-song who has been active as an outstanding statesman for many years, performing great exploits in the struggle for the freedom and independence of the country, is a great leader of the present time who is famous worldwide," said Pedro Margolles Villanueva, director general of the PRENSA LATINA of Cuba, who visited Korea.

Giving his impressions of Korea here, he said, "When I had an audience of President Kim Il-song, I could deeply feel once again comrade president's unshakable revolutionary will to defend the cause of socialism with no retreat before the imperialists and his strong and resolute position never to pardon any invading enemy."

"Under the wise guidance of the great Comrade Kim Il-song and dear Comrade Kim Chong-il, enormous achievements have been made in socialist construction of Korea and the Korean people have wrought miracles which no one else can effect over the 40 odd years since the ceasefire," he said.

The director general of the PRENSA LATINA added that wonderful and magnificent grand monuments have taken shape in different parts of the country, Pyongyang has turned into the most beautiful city and all people lead a happy life with stable jobs.

"Now the West is alleging that the DPRK is stepping up 'war preparations.' But it is quite contrary to the fact," he said, adding that Korea is promoting peaceful construction, not war preparations.

Kim Yong-chu Meets With Cuban Ambassador

SK2604112494 Pyongyang KCNA in English 1051 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—Vice President Kim Yong-chu [Kim Il-song's younger brother] met and had a talk with Cuban Ambassador to Korea Jose Ramon Rodriguez Varona at the Mansudae Assembly Hall today when the latter paid a courtesy call on him.

Vice Minister of Foreign Affairs Song Ho-kyong was present on the occasion.

Kim Il-song Sends Message to King of Malaysia

SK2604111394 Pyongyang KCNA in English 1044 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Tuanku Jaafar Ibni Almarhum Tuanku Abdul Rahman upon his accession to the throne as Malaysian King.

President Kim Il-song in the message wished the king big success in his work for national unity and the prosperity of the country and expressed the belief that the friendly relations between the two peoples would further expand and develop in conformity with the ideals of independence, peace and friendship.

Kim Il-song Sends Message to President of Togo

SK2604111494 Pyongyang KCNA in English 1046 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Gnassingbe Eyadema on the 34th anniversary of the independence of Togo.

In the message President Kim Il-song wished the president and the people of Togo great success in their work and expressed the belief that the friendly relations between the two countries would continue to develop.

Meeting Marks Anniversary of Togo Independence

SK2904044994 Pyongyang KCNA in English 0427 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—A meeting was held here on April 28 to mark the 34th anniversary of the independence of Togo under the co-sponsorship of the Committee for Cultural Relations With Foreign Countries and the Korea-Togo Friendship Association.

Present at the meeting were An Pok-man, deputy editor-in-chief of MINJU CHOSON and vice chairman of the Korea-Togo Friendship Association, and other officials concerned and working people in the city.

A speech was made and a message of greetings to the Togolese president was adopted at the meeting.

Kim Il-song Sends Message to Sierra Leone's Strasser

SK2604111694 Pyongyang KCNA in English 1048 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Valentine Esegragbo Melvin Strasser, head of state and chairman of the National Provisional Ruling Council of the Republic of Sierra Leone, on the 33rd anniversary of the independence of Sierra Leone.

In the message he wished the chairman and the people of Sierra Leone great achievements in their work for the stability and democratic development of the country and expressed the belief that the friendly relations between the two countries would continue to develop.

Papers Mark Sierra Leone Independence Day

SK2704103594 Pyongyang KCNA in English 1021 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—Papers here today dedicate articles to the 33rd anniversary of the independence of Sierra Leone.

A by-lined article of MINJU CHOSON says that the Sierra Leonean people have worked to build a new independent and prospering society after independence.

It notes:

Sierra Leone is developing relations with many countries, pursuing a non-aligned policy externally.

The Democratic People's Republic of Korea established diplomatic ties with Sierra Leone in October 1971. Since then travels and contacts have been frequent and friendly relations further developed between the two peoples.

Believing that the friendly and cooperative relations between the two countries will grow stronger and develop in accordance with the idea of independence, peace and friendship, the Korean people wish the Sierra Leonean people new achievements in the efforts for the independent development of the country, the article says. NODONG SINMUN carries an article introducing the change of Sierra Leone.

CPC Delegation Arrives in Pyongyang 26 Apr

SK2604233394 Pyongyang KCNA in English 1502 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—A party workers delegation of the Communist Party of China led by Bai Keming, deputy head of the Propaganda Department of the CPC Central Committee, arrived here today.

It was met at the airport by vice department director of the C.C. [Central Committee], the Workers' Party of Korea, Kim Yang-kon, and a councillor of the Chinese Embassy here.

Press Delegation Departs for China

SK2704104294 Pyongyang KCNA in English 1029 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA) - A Korean press delegation headed by Yi Pong-su, director of the General Bureau of the Publications, left Pyongyang today for a visit to China.

It was seen off at the Pyongyang railway station by Tokko Nung In, vice-director of the General Bureau of the Publications, and a councillor of the Chinese Embassy here.

President Kim Il-song Hails Afghan President

SK2704110694 Pyongyang KCNA in English 1044 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Borhanoddin Rabbani, president of the Islamic State of Afghanistan, on the day of the victory of the Islamic revolution in Afghanistan.

President Kim Il-song in the message wished the president and people of Afghanistan success in their work for national reconciliation and stability of the country and expressed the belief that the friendly relations between the two countries would continue to develop.

Envoy to Mongolia Calls on Party Leader

SK2804030294 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 25 Apr 94

[Text] Chong Yun-ho, ambassador of our country to Mongolia, on 20 April paid a farewell call on Budragchaagyn Dash-Yondon, general secretary of the Central Committee of the Mongolian People's Revolutionary Party [MPRP].

At the meeting, the ambassador conveyed greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to General Secretary Budragchaagyn Dash-Yondon.

Expressing deep thanks for this, the general secretary asked the ambassador to convey his sincere greetings to the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il.

Touching on the issue of developing the friendly relations between the MPRP and the Workers Party of Korea, the general secretary expressed support for the Korean people's struggle for the independent and peaceful reunification of the nation.

Mongolian Envoy Visits Ssuksom Historical Site

SK2904045094 Pyongyang KCNA in English 0435 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—Sh. Gungardorj, Mongolian ambassador to Korea, and his embassy officials visited the Ssuksom Revolutionary Historical Site.

Here the great leader President Kim Il-song had a historic consultative meeting with South Korean politicians who had participated in the joint conference of representatives of political parties and public organisations in North and South Korea (April 1948) after the liberation of the country and showed warm loving care for them.

After going round the United Front tower and historical relics, the ambassador said he was convinced that the Korean people's cause of reunification would certainly be accomplished before long.

Kang Song-san Congratulates Algerian Premier

SK2804044394 Pyongyang KCNA in English 0422 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—Kang Song-san, premier of the Administration Council, sent a message to Mokhdad Sefi congratulating him upon his appointment as prime minister of the Algerian Democratic and People's Republic.

The message expresses the belief that the friendly and cooperative relations between the two countries will further develop, and wishes him success in his responsible work.

Greetings Sent to Presidents of Italian Congress

SK2804044494 Pyongyang KCNA in English 0423 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, sent messages to Carlo Scognamiglio and Irene Pivetti congratulating them upon their respective election as president of the Senate and president of the Chamber of Deputies of Italy.

Expressing the belief that the friendly relations between the parliaments of the two countries will grow stronger and develop in the future, the messages wish them success in their responsible work.

Iranian Embassy Officials Tour Mangyongdae

SK2804045294 Pyongyang KCNA in English 0435 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—Charge d'affaires ad interim of the Iranian Embassy in Korea Saeed Lashgari and embassy officials visited Mangyongdae Wednesday.

The guests, being briefed on the glorious and brilliant revolutionary history of the great leader President Kim Il-song and his revolutionary family, saw the historic relics preserved with much care at the old home in Mangyongdae and went round the Mangyongdae Revolution Museum.

After the visit, Saeed Lashgari said that his excellency the great leader President Kim Il-song, born into a poor family, achieved the liberation of the country with his energetic activities and has glorified Korea.

Kim Il-song Receives SRV Party Delegation

BK2804095194 Hanoi VNA in English 0556 GMT 28 Apr 94

[Text] Hanoi VNA April 28—Kim Il-song, secretary general of the Workers's Party and president of the Democratic People's Republic of Korea (DPRK) has received the visiting delegation of the Communist Party of Vietnam led by Hong Ha, secretary of the CPVCC [Communist Party of Vietnam Central Committee].

President Kim Il-song warmly welcomed the Vietnamese party delegation's visit as a manifestation of the strengthening of the relations between the two parties, and peoples. He asked Secretary Hong Ha to convey his best regards to party General Secretary Do Muoi, President Le Duc Anh and other Vietnamese party leaders.

He also expressed his pleasure at the fine development of the relationship between the two parties and peoples, and his wish for new step of development in the DPRK-Vietnam relations.

For his part, Mr. Hong Ha conveyed best regards of party General Secretary Do Muoi and President Le Duc Anh to President Kim Il-song, Kim Chong-il and other Korean party leaders. He affirmed that Vietnamese party's policy is to enhance the traditional friendly relations of the two peoples, and for peace cooperation and development in the region and in the world as a whole.

Province Marks Syrian Independence Day

SK2804044894 Pyongyang KCNA in English 0425 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—A meeting took place in North Hwanghae Province on April 27 in celebration of the 48th anniversary of the independence of Syria.

Invited to the meeting were Syrian Ambassador to Korea Yasir Farah, his embassy officials and Syrian students studying in Korea.

Attending the meeting were chairman of the North Hwanghae Provincial Administrative and Economic Committee Yang Man-kil and officials concerned and working people in Sariwon.

Speeches were exchanged at the meeting.

The meeting adopted a congratulatory letter to the Syrian president.

Syrian Ambassador Meets With Yi In-mo

SK2904043794 Pyongyang KCNA in English 0421 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—Syrian Ambassador to Korea Yasir Farah and his wife on April 28 met with Yi In-mo, a former war correspondent of the Korean People's Army, who is known as an incarnation of faith and will.

The ambassador said the Syrian people were struck with admiration at Yi In-mo who did not abandon his creed as a communist while being kept behind bars for a long time, not yielding to the barbarous suppression by the enemy.

Recalling that the great leader President Kim Il-song called on Yi In-mo in his sickbed last year, so busy as he was, and showed deep solicitude for him, the ambassador said he was deeply moved by the president's loving care for his revolutionary soldiers.

Yi In-mo said that the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il are pursuing benevolent politics and independent politics and that they are the life and soul of the Korean people.

The guests presented souvenirs to Yi In-mo.

Friendship Accord Signed With Belarus

SK2904043994 Pyongyang KCNA in English 0429 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—A 1994-1995 plan for cooperation between the Korea-Belarus Friendship Association and the Belarus Society for Friendship and Cultural Relations With Foreign Countries was signed in Minsk on April 15.

The plan was signed by the head of a delegation of the Korea-Belarus Friendship Association and the vice chairman of the Belarus-Korea Friendship Association.

Guyanese National Seminar on Chuche Idea Held

SK2904044094 Pyongyang KCNA in English 0425 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—The 15th Guyanese national seminar on the chuche idea and building of national culture was held on April 1 in celebration of the birthday of the great leader President Kim Il-song.

Dale Bisnauth, minister of Education and Cultural Development of Guyana, in his opening address said that the chuche idea is a great idea that clearly indicates the direction and ways of building genuine national culture suited to the specific conditions of each country on the basis of the importance of the development of national culture in the building of an independent, new society.

At the seminar ex-Prime Minister of Guyana Hamilton Green made a congratulatory address to be followed by a report and speeches.

Robert Williams, chairman of the Guyanese national committee for the study of the chuche idea of Comrade Kim Il-song, in the report said the great leader President Kim Il-song has taught that only when national culture is developed is it possible to consolidate the already-won political independence and successfully build an independent national economy.

It is an important matter in the building of a new society to create a popular, true national culture that conforms to the people's desire for independence and their idea and emotion, he noted.

The seminar adopted letters to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Chongnyon Official Arrives in Pyongyang 26 Apr

SK2604233194 Pyongyang KCNA in English 1500 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and his entourage arrived here today for a visit to the socialist homeland.

They were met at the airport by Vice President Pak Song-chol, secretary of the Central Committee of the Workers' Party of Korea Kim Yong-sun and officials concerned.

Yi Chin-kyu, first vice-chairman of the Chongnyon Central Standing Committee, now staying in the socialist homeland, was present at the airport.

President Kim Il-song Receives Chongnyon Leader

SK2804122494 Pyongyang KCNA in English 1102 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—The great leader President Kim Il-song today received Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), on a visit to the socialist homeland.

On the occasion Chairman Han Tok-su extended to President Kim Il-song the highest honor and thanks carrying the hearts of loyalty of the entire officials of Chongnyon and 700,000 compatriots in Japan and wished him a long life in good health.

President Kim Il-song expressed thanks for this and conversed with him in a cordial atmosphere.

Further Reportage on Kim Il-song Birthday

Foreign Leaders Send Greetings

SK2604053794 Pyongyang KCNA in English 0458 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—The great leader President Kim Il-song received messages of greetings from foreign state and party leaders on the occasion of his birthday.

They are from President of the Republic of the Niger Mahamane Ousmane, President of the Republic of the Cote d'Ivoire Henri Konan Bedie, general secretary of the Central Executive Committee of the Bangladesh National Socialist Party Hasanul Huq Inu, general secretary of the Central Committee of the Workers and Peasants Socialist Party of Bangladesh Nir Mal Sen, convenor of the Central Committee of the Socialist Party of Bangladesh Khalequzzaman Bhuiyan, convenor of the Central Committee of the Socialist Party of Bangladesh A.F.M. Mahbubul Huq, chairman of the National Executive Committee of the Polish League of Communists "Proletariat" Zbigniew Wictor, chairman of the Central Committee of the Communist Party-KPML(R) [expansion unknown] of Sweden Frank Baude, chairman of the National Direction Committee of the Democratic Intervention of Portugal Blasco Hugo Fernandes, chairman of the Central Committee of the Czechy-Morava Communist Party Miroslav Grevenicek, general secretary of the New Yugoslav Communist Movement Branko Kitanovic, secretary of the Lebanese Regional Committee of the Arab Socialist Baath Party Abdallah al Chahal, chairman of the Council of the Federation of

Communist Party-the Communist Party of the Soviet Union O. Shenin, and general secretary of the Central Committee of the Jordanian Communist Party Yacob Zayadine.

The messages most warmly congratulate President Kim Il-song and wish him good health and a long life.

Expressing firm support and solidarity for the struggle of the Korean people to achieve national reunification in an independent and peaceful way with the great unity of the whole nation, they evince the belief that the friendly and cooperative relations between the Korean people and the peoples of the afore-said countries and between the Workers' Party of Korea and their parties would grow stronger and develop.

Bulletins Published Abroad

SK2704103394 Pyongyang KCNA in English 1012 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—Bulletins were brought out by the Algeria-Korea Friendship Club on April 12 and by the Burundi-Korea Friendship Association on April 13 in celebration of April 15.

Carried in the bulletin of the Algeria-Korea Friendship Club are articles titled "President Kim Il-song Who Has Been Devoting His Whole Life for the People," "'10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country' Put Forward by President Kim Il-song" and "Signature Campaign Supporting Peace and Reunification of Korea".

The bulletin published by the Burundi-Korea Friendship Association came off the press under the title "Best Wishes for Longevity to President Kim Il-song".

The Venezuelan Committee for the Reunification of Korea published the April issue of its bulletin.

Conveyed in the bulletin is news that political figures and organisations of India and Zimbabwe called for grandly celebrating April 15.

Foreign Celebrations Noted

SK2704103494 Pyongyang KCNA in English 1018 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—Functions took place in different countries in celebration of the birthday of the great leader President Kim Il-song.

A meeting was held in Kathmandu, Nepal, on the occasion.

The chairman of the Nepal-Korea Friendship Association, Manik Lal Shrestha, addressing the meeting, said:

"President Kim Il-song is a great leader recognized by the world.

"He liberated the Korean nation from imperialist oppression and has built socialism of chuche, thereby providing the people with a happy earthly paradise, and has performed shining feats for the development of the world revolutionary movement.

"President Kim Il-song is a great thinker and theoretician who founded the chuche idea."

Ex-prime minister of Nepal Kirti Nidhi Bista said:

"President Kim Il-song gives the first consideration to the people and respects them. This cannot be expected from anyone but a true leader of the people who devotes himself to them.

"As Korea is guided by the great leader, it has become a dignified and powerful country".

Celebration meetings were held in Kim Chong-il Street, Corriverton, Guyana, at the Pikine City Hall of Senegal and the building of the Metropolitan Federation of Residents and Urban Peoples in Lima, Peru, the Chuche School of Madagascar, the Damascus regional command of the Syrian People's Army and the Quneitra Provincial House of Culture in Syria.

On the occasion of April 15, Korean film shows and photo exhibitions, friendship gatherings, round-table conversations and other functions took place in Nigeria, Ghana, Zaire, Mali, Thailand, Shenyang of China, on the Cuba-Korea friendship farm, at the Dar-es-Salaam Commercial College of Tanzania, the all India Indo-Korean Friendship Association, the Indian Youth Group for the Study of Works of Comrade Kim Il-song, the Central Agricultural Institute of Poland, the Socialist Party of Peru, the Danish Workers' Party, Common Cause, the Communist Party (M-L) of Denmark and the Mornaigui House of Culture in Tunisia.

Observances Abroad Reported

SK2804105394 Pyongyang KCNA in English 1013 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—Functions took place in various countries to celebrate the birthday of the great leader President Kim Il-song.

An April 15 celebration weekly function was held in Lima, Peru, under the co-sponsorship of political parties and organizations.

Speaking at the function, Angel Castro Lavarello, president of the National Executive Committee of the Left Revolutionary Union of Peru, said:

"The great leader President Kim Il-song is a genius of revolution and construction who has built Korea into a powerful socialist country, independent, self-supporting and self-reliant in national defence, and an iron-willed brilliant commander who defeated two imperialisms in one generation and is firmly defending the cause of socialism.

"He is the lodestar of Korean reunification who put forth the three principles of independence, peaceful reunification and great national unity, the proposal for founding the Democratic Confederal Republic of Koryo and the 10-point programme of the great unity of the whole nation and is leading the whole nation to carry them into effect."

A letter to President Kim Il-song was adopted at the opening ceremony of the function amidst an enthusiastic applause.

A meeting was held at the Jilin Yuwen Middle School in China, a Korean photo and handicraft exhibition and a film show in Giurgiu County, Romania, a lecture and a photo exhibition at the peace hall in Hungary, and a Korean book presentation ceremony in Paris, France.

Cultural functions took place in Baktapur, Nepal and at the folklore museum theatre in Peru in celebration of the April 15 fete.

Cilreco Issues Bulletin

SK2904103694 Pyongyang KCNA in English 1010 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—The International Liaison Committee for Reunification and Peace in Korea (Cilreco) brought out a special issue of its bulletin on the occasion of the birthday of the great leader President Kim Il-song.

Under the title "Highest Homage to President Kim Il-song on His 82nd Birthday" the bulletin gives subtitles "We Wish President Kim Il-song good health and a long life", "Role and Feats of President Kim Il-song for the Accomplishment of the Cause of Korea's Independent and Peaceful Reunification" and "President Kim Il-song's Just and Feasible Proposal for Founding the Democratic Confederal Republic of Koryo".

It pays highest homage to President Kim Il-song who is making contributions to the cause for human progress and building a peaceful world.

His proposals for Korean reunification opened up realistic prospects for ending the tragedy of division, notes the bulletin.

It stresses that more widespread international solidarity movements would be conducted in support of the Korean people's just struggle to carry into effect the 10-point programme, a grand programme of peaceful reunification through the great unity of the whole Korean nation.

On the same occasion, bulletins were issued by the Guyana-Korea Friendship Association and the Zimbabwe-Korea solidarity and Friendship Association.

Symposium Discusses Kim Il-song's Rural Theses

SK2904045794 Pyongyang KCNA in English 0440 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—A national symposium on "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses", a famous work of the great leader President Kim Il-song, was held here on Thursday.

The historical letter sent by President Kim Il-song to the national agricultural conference on February 24, 1994, gives a perfect exposition of the goal and tasks for the final solution of the rural question, including the questions of continuously pushing ahead with the three revolutions, ideological, technical and cultural in the countryside to make the farmers revolutionary, assimilate them to the working class and imbue them with the socialist idea and with the chuche idea, and of improving the technological and cultural standards of the agricultural working people to meet the requirements for making all the members of the society intellectually-proficient, and carrying out the five tasks of electrification, water supply and bus service in the rural areas and central heating and gas systems in the rural villages to eleminate the distinctions between the urban and the rural population in their living conditions and complete the industrialisation and modernisation of agruculture on a high level, and of converting cooperative property into all-people property.

The speakers at the symposium said the work which raises the final solution of the socialist rural question and the complete victory of socialism as immediate practical questions and comprehensively indicates tasks for their solution is a great programme for the complete victory of socialism.

The work is an immortal grand programme which has further developed in depth the theory of the working class on the socialist rural construction and a true textbook of socialist construction which indicates in a unique way the tasks and ways for the ultimate solution of the socialist rural question and the complete victory of socialism, the speakers stressed.

Foreign Media Report on Kim Il-song Works

SK2804044194 Pyongyang KCNA in English 0420 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—"10-point programme of the great unity of the whole nation for the reunification of the country", a classical work of the great leader President Kim Il-song, was carried by the Iranian papers RESALAT and TEHERAN TIMES, the Tunisian paper LES ANNONCES and the Nigerian paper OBSERVER.

Radio Cadena Havana of Cuba and Radio Victoria of Peru reported the same work.

The Malaysian paper SIN CHEW JIT POH printed a portrait of President Kim Il-song and carried the full text of his work "Let the North and the South open the way to peace and reunification of the country in a united effort". The Russian paper ROSSISKAYA PRAVDA and the Ghanaian paper FOCUS carried detailed gists of "For the ultimate solution of the rural question under the banner of the socialist rural theses", a letter sent by President Kim Il-song to a national agricultural conference, and the Nepalese paper MAJADUR KISSAN carried the full text of the same work.

The Mongolian paper ULAN BATOR gave a gist of his work "Let us implement the public health law to the letter".

Kim Il-song Reportedly Quoted in U.S. Papers

SK2604050794 Pyongyang KCNA in English 0452 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—The famous work of the great leader President Kim Il-song "Answers to the Questions Raised by the Japanese NHK News Coverage Group" was reported by U.S. papers.

INTERNATIONAL HERALD TRIBUNE April 19, carrying the answers, said President Kim Il-song has been leading Korea for nearly half a century.

The paper quoted President Kim Il-song as saying that the United States is putting pressure on the Democratic People's Republic of Korea which has no nuclear weapons on absurd charges while trying to dismiss with the word "withdrawal" the question of the nuclear weapons it has actually shipped into South Korea and that the nuclear issue of the Korean peninsula can be solved only through direct talks between the DPRK and the U.S.

On the same day WASHINGTON POST, reporting a detailed gist of the work of the great leader, stressed that President Kim Il-song is the most veteran head of state in the world.

Article Details Pride in Great Leader

SK2704104194 Pyongyang KCNA in English 1028 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—NODONG SINMUN today comes out with an article titled "Our People Proud of Having Great Leader".

The author of the article says:

Our people have a high national pride and honour as they have the great leader in the person of respected Comrade Kim Il-song peerless in their history of thousands of years.

As they have the great leader Comrade Kim Il-song and uphold his leadership, they become a heroic people who won great victories in wars against two formidable imperialist enemies and a proud people who have set an example for the century in creation and construction.

Their pride in having the great leader has been heightened as they are guided by the dear leader Comrade Kim Chong-il today.

As they have respected Supreme Commander General Kim Chong-il, their pride has reached a lofty height and it serves as an important ideological and moral source of all their victories.

Their pride serves as a powerful motive force which enables our people to courageously advance along the road of socialism under whatever conditions.

Our people have victoriously advanced the cause of socialism under the banner of the chuche idea, following the guidance of the party and the leader. In this course, our people have become firmly convinced that the road of socialism led by the great leader and the dear leader is the most correct road and become proud of building the most advantageous socialism in the world.

They are successfully building socialism, not wavering under the complex situation, because of their high pride of having the great leader.

Their pride also serves as the source of strength which enables them to demonstrate the dignity and honor of the country in confrontation with the imperialists.

Today our people are famous as a most proud and dignified people who resolutely counter any moves of the imperialists and firmly defend the cause of Korean-style socialism without the slightest vacillation.

They are countering the imperialists' anti-socialist campaign with the conviction that they will win because the great leader and the dear leader are leading them and with the unshakable will to build Korean-style socialism better under the guidance of the party and the leader.

KCNA Reports Foreign Praise for Kim Chong-il

SK2604234194 Pyongyang KCNA in English 1515 GMT 26 Apr 94

[Text] Pyongyang, April 26 (KCNA)—World public is highly praising the dear leader Comrade Kim Chong-il as an ever-victorious iron-willed brilliant commander who has strengthened the Korean People's Army [KPA] into invincible revolutionary Armed Forces.

Defence Minister of Syria Mustafa Talas said the KPA with dear Comrade Kim Chong-il as its supreme commander is invincible. "It was a most fair jnd aboveboard step to defend the sovereignty of the country that comrade supreme commander of the Korean People's Army declared a semi-war state last year," he added.

Chief of the General Staff of the Cuban Revolutionary Armed Forces Ulises Rosales Del Toro said the dear leader Comrade Kim Chong-il has strengthened and developed the People's Army into a-match-for-a-hundred revolutionary Armed Forces. "Under his wise guidance," he said, "Korea has set a world-wide example not only in the military field but also in socialist construction, and the singlehearted unity of the leader, the party and the masses has been achieved there."

Head of a delegation of the Old Fighters' Association of Angola Adriano Joao Sebastiao said: "Nobody in the world can break the strength of the heroic Korean People's Army which has its supreme commander in the person of Marshal Kim Chong-il who thoroughly personifies the intelligence and traits of the great brilliant commander Comrade Kim Il-song who defeated two imperialisms in one generation."

The Indian paper SAMACHAR POST said in an article entitled "Kim Chong-il, Military Genius":

The Korean People's Army has entered a new stage of its development as it has the dear leader Comrade Kim Chong-il as its supreme commander.

Today the KPA has grown to be iron ranks fully prepared in politico-ideological and military technical aspects as the revolutionary Armed Forces of the Workers' Party of Korea.

The Yemeni paper AS-RAI AL-AAM said in an article entitled "Supreme Commander of the Korean People's Army" that his excellency Kim Chong-il is leading the People's Army to a victory with his unrivalled grit and iron will.

Acts of Loyalty for Kim Chong-il Described

SK2704103194 Pyongyang KCNA in English 1006 GMT 27 Apr 94

[Text] Pyongyang, April 27 (KCNA)—"Please uphold with loyalty respected Supreme Commander General Kim Chong-il, our life and soul, destiny and future," said Senior Colonel of the Korean People's Army Mun Chong-hwa, who was the head of a department at Kim Il-song University of politics, to soldier-students at the last moments of his life when the university just opened after vacation last year.

The Korean People's Army soldiers uphold Comrade Kim Chong-il with loyalty and filial piety, shouting earnestly the loyal slogan "We serve comrade supreme commander!"

They are a fort and a shield defending comrade supreme commander with the high pride and honor of being revolutionary soldiers of Comrade Kim Chong-il, a great iron-willed brilliant commander.

Only recently, many soldiers including Yu Kyong-nam and Hong Kyong-ae protected portraits of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, laying down their lives without hesitation at critical moments.

An officer, Hwang Yong-chun, has remained faithful to the leadership of comrade supreme commander, serving as a private at one post for more than 20 years, with a resolve to uphold the leader with arms till the end of his life.

The People's Army has produced many heroic soldiers who dedicated all their wisdom and strength to implementing orders and instructions from comrade supreme commander and even laid down their precious youth and lives unhesitatingly while devoting themselves to the performance of their military duties.

An airman, Chon Chi-ho, with the unshakable creed that he had no right to die before implementing orders from comrade supreme commander, did not loosen his grip on the control lever, firmly defending the airspace of the motherland till the last moments of his life. Sin Chong-nam, a company commander, devoted himself body and soul to performing military duties of his company, traveling to and from posts and drill grounds on the backs of his comrades-in-arms, although he had lost his legs.

Heroes of the '90s like Kim Kwang-chol and Han Yong-chol who fulfilled training orders from comrade supreme commander, saving their comrades-in-arms by covering handgrenades on the point of explosion with their bodies were also produced by the People's Army.

People's Army soldiers continue to write letters pledging loyalty to Comrade Kim Chong-il.

Recently, Yi Chang-ung and his six brothers and one sister, Kang Myong-il and his four brothers, Pak Yong-chol and his seven brothers and many other People's Army soldiers sent letters of loyalty to comrade supreme commander, vowing to be revolutionary soldiers defending the general with arms in the van.

Indeed, the Korean People's Army is ranks of loyalty and invincible revolutionary Armed Forces entrusting all their destinies to Supreme Commander Comrade Kim Chong-il and fighting with a single determination to become guns and bombs defending comrade supreme commander with their lives.

Kim Chong-il Work on Party Leadership Cited

SK2804103994 Pyongyang KCNA in English 1009 GMT 28 Apr 94

["Highly Important Work That Brought About New Turn in Establishing the System of Party Leadership"—KCNA headline]

[Text] Pyongyang, April 28 (KCNA)—"On Thoroughly Establishing the System of Party Leadership", a work published by the dear leader Comrade Kim Chong-il on April 28, 1979, is a monumental work which has made a great contribution to strengthening and developing the party into ever-victorious militant ranks which have firmly established a revolutionary system of leadership, and a highly important guideline which all the party organizations, party officials and members should always hold fast to, says NODONG SINMUN in a by-lined article today.

The article continues:

For the profound content and justness of ideas and theories contained in it the work has displayed an indestructible vitality over the past 15 years, applied successfully in our party building and activities.

The significance and vitality of the work lie, first of all, in that it has made it possible to firmly establish among the officials and party members a revolutionary trait of unconditionally accepting the party's decisions and instructions and carrying them out to the end.

All the officials and party members accept the ideas and policies of the party as the most just and devote all their energy and wisdom to the struggle to carry out the party's policies.

"When the party is determined, we can do anything!", a motto of faith of our people, well shows the noble spiritual world of our officials and party members and other working people who accept the lines and policies of the party as a requirement of their life and carry them out on the principles of absoluteness and unconditionality.

The significance and vitality of the work also lie in that it has made it possible to establish a steel-like revolutionary discipline in the whole party.

All the party members and other working people deeply cherish an unshakable faith and will to share the same destiny with the party forever, entrusting their destinies entirely to the dear leader.

The complete and unconditional consistency of all the officials and party members in ideology and purpose and in action, breathing the same with the party, speaking the same with the party and acting in step with the intentions of the party, is a proud feature of our party which has established a steel-like discipline in it.

The significance and vitality of the work also lie in that it has helped to establish a revolutionary style of life whereby all the officials and party members participate in their party life sincerely with a correct viewpoint on the party organisation.

Our officials and party members now make it a rule and habit to regard as dignified and value the party organization and work and live in strict reliance on it. They consciously and sincerely take part in their party life with a correct attitude toward party life. All this is a valuable fruition of the strenuous efforts to carry through the ideas and policies indicated in the work.

As the ideas and policies indicated in the work have been implemented thoroughly, the militant function and role of the party organizations have been enhanced immensely and the ranks of cadres firmly built with elite revolutionaries who are possessed of all the traits and qualities of true chuche-type revolutionaries.

Forum Marks Kim Chong-il Work on Trade Unions

SK2804045094 Pyongyang KCNA in English 0433 GMT 28 Apr 94

[Text] Pyongyang, April 28 (KCNA)—A symposium of trade union officials was held here Wednesday on the occasion of the 10th anniversary of the publication of "On further improving the work of the trade unions", a famous work of the dear leader Comrade Kim Chong-il.

Comrade Kim Chong-il in the work says that the trade unions are mass political organizations of the working class and dependable assistants and defenders of the party and gives answers to all the theoretical and practical questions arising in the building of the trade unions and their activities.

He defines it as the basic duty of the trade unions to educate the trade union members and rally them closely around the party and powerfully mobilize them in the revolutionary struggle and constructive work.

He sets it as the most important tasks of the trade unions to energetically carry on the ideological, technical and cultural revolutions and vigorously rouse the working class and trade union members in socialist economic construction.

Speakers said that the work of the dear leader was an immortal banner which the trade unions must tightly hold in accomplishing the revolutionary cause of chuche and a highly important guideline which clearly indicates the main orientation and target of the trade union activities.

Kim Chong-il Article on Media Commemorated

SK2904043394 Pyongyang KCNA in English 0418 GMT 29 Apr 94

[Text] Pyongyang, April 29 (KCNA)—A symposium of men of the press was held here Thursday to mark the 20th anniversary of the publication of the May 7, 1974, work of the dear leader Comrade Kim Chong-il.

In the work Comrade Kim Chong-il defined our party's media as a powerful ideological weapon conducive to modelling the whole of society on the chuche idea and gave a comprehensive exposition of its basic mission and tasks and ways for their fulfilment.

He gave perfect answers to all the questions arising in the building of the media including those of adopting the principle of chuche as the keystone, conducting one's activities strictly under the guidance of the party Central Committee and "selecting the right seed" and conducting a speed campaign.

The speakers said that the work of Comrade Kim Chong-il is an immortal grand program which clearly indicates the features of the socialist press, the function and role which it should play in compliance with the requirements of modelling the whole of society on the chuche idea, and shows the road of serving for the accomplishment of the revolutionary cause of the leader which is succeeded through generations, being the first in history to put the building of the socialist media on the basis of the revolutionary outlook on the leader.

It is immortal feat of our party that our media is making true contributions to the accomplishment of the cause of socialism and registering great achievements in revolutionizing newspapers, news services and publications to meet the requirements of the developing revolution in a new, higher stage, the speakers stressed.

South Korea

DPRK: Radiochemical Lab Inspection 'Absurd'

SK2204011994 Seoul YONHAP in English 0107 GMT 22 Apr 94

[Text] Washington, April 22 (YONHAP)—Pyongyang cannot accept an International Atomic Energy Agency (IAEA) proposal for inspection of its radiochemical laboratory, a senior North Korean official said Thursday.

Kim Chong-su, deputy chief of the North Korean mission to the United Nations, said Pyongyang is willing to allow IAEA inspectors to witness the changing of fuel rods at the Yongbyon nuclear reactor, but that it cannot accept additional checks of the radiochemical laboratory.

He said, "We have allowed every inspection to ensure the continuity of nuclear safeguards. We have shown everything to the IAEA, and the proposal for additional inspection of the laboratory is an absurd demand."

North Korea sent a message to the agency Wednesday proposing that IAEA inspectors witness the upcoming changing of fuel rods at the country's five-megawatt nuclear reactor at Yongbyon.

IAEA Studying Fuel Rod Inspection Proposal

SK2204012594 Seoul YONHAP in English 0113 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—The International Atomic Energy Agency [IAEA] was studying Friday the meaning of North Korea's request for IAEA inspectors to be "present" when nuclear fuel rods are changed at its five-megawatt reactor.

The IAEA specifically wants to find out whether "presence" means simple "observation" or activity that would allow the collection of samples, a senior South Korean Government official said.

The IAEA will not accept the North Korean proposal if it just involves observation or limited participation.

In their negotiations in Vienna, the IAEA is demanding that its inspectors be allowed to collect samples of the waste material produced during the changing of nuclear fuel rods, the official said.

If the IAEA could collect samples of such waste material, it would be able to estimate how much plutonium North Korea had extracted since the five-megawatt reactor went into operation in 1986.

"The IAEA is in contact with North Korea in order to find out the exact definition of the word 'presence' of IAEA inspectors," the official said, adding that the nuclear watchdog is expected to make a decision soon on Pyongyang's proposal after analyzing its political and technical intentions.

North Korea has not made its position clear on additional IAEA inspections of its nuclear facilities, requested by the U.N. Security Council president's statement.

The official also denied press reports that North Korea had offered conditions to the United States on further IAEA checks.

IAEA Plans To Send Inspection Team 24 Apr

SK2304023694 Seoul YONHAP in English 0224 GMT 23 Apr 94

[Text] Washington, April 22 (YONHAP)—The International Atomic Energy Agency (IAEA) will form two inspection teams to witness the changing of fuel rods at North Korea's 5-megawatt nuclear reactor in Yongbyon and plans to send the first one Sunday, diplomatic sources here said Friday.

As North Korea has already notified the IAEA that it will soon change fuel rods at the 5-megawatt reactor, an advance team leaves Vienna on Sunday and is to arrive in Pyongyang Tuesday to prepare for the refueling procedure.

The second team will depart for Pyongyang around Wednesday to push for full-fleged inspections including observation of the refueling, according to the sources. The second team's inspection activities, however, might be limited because North Korea is still resisting IAEA demands for additional checks such as collecting samples at a radiochemical laboratory, saying only that it will allow the inspectors to witness the fuel-rod change.

The United States will hold a working-level contact with North Korea next week to discuss the teams' scope of inspection duties in witnessing the refueling as well as additional checks of the radiochemical laboratory. They are also expected to discuss meeting the conditions for a third round of high-level talks.

The sources expected that the U.S. Government will hold a senior officials' meeting to chart a course on the nuclear issue and that it will urge North Korea to accept further checks to ensure that the next round of dialogue takes place.

Meanwhile, State Department spokesman Mike McCurry said Washington can only hold the third round of talks with Pyongyang when the Feb. 15 agreement on the continuity of safeguards at North Korea's seven declared sites is implemented.

McCurry added, "... IAEA inspectors must be present to monitor the unloading and storage of this spent fuel. And we've made it clear from the very beginning that if the IAEA is not allowed to do this, we would have no choice but to end our dialogue with North Korea and return the issue to the Security Council."

Inspection Team Report 'Groundless'

SK2304233394 Seoul KBS-1 Radio Network in Korean 2300 GMT 23 April 94

[REUTER/YONHAP from Vienna]

[Text] REUTER news agency has reported that it is unlikely that an International Atomic Energy Agency [IAEA] inspection team will soon enter North Korea to witness the changing of fuel rods at North Korea's nuclear reactor in Yongbyon.

Denying ROK media reports that an advance team would leave for North Korea over the weekend, spokesman Kyd said those reports are groundless. Spokesman Kyd admitted that the advance team did prepare to leave for North Korea. However, since North Korea has not responded to a list of IAEA inspections so far, chances are slim that the team would arrive in North Korea by 28 April, he added.

IAEA on 'Essential Inspection' of DPRK

SK2504115494 Seoul KBS-1 Radio Network in Korean 1100 GMT 25 Apr 94

[Text] The International Atomic Energy Agency [IAEA] initially planned to dispatch a two-person inspection team to North Korea early this week in connection with the replacement of nuclear fuel rods. However, North Korea has not allowed essential inspection activities. Thus, the IAEA decided to temporarily withhold dispatching the inspection team.

David Kyd, director of IAEA Information Department, said that the IAEA, when accepting the North Korean proposal concerning the replacement of nuclear fuel rods, demanded that North Korea allow essential inspection activities, and requested the issuance of visas for two inspectors to be dispatched as advance team members.

Director Kyd said that the IAEA urged North Korea to allow essential inspection activities pertaining to the replacement of nuclear fuel rods. He stressed that as long as North Korea does not show a change in its basic position, the dispatch of the inspection team will be withheld.

Director Kyd said, however, that if North Korea flexibly accepts the IAEA proposal by Thursday [28 April], the IAEA would consider dispatching an inspection team on Thursday.

DPRK Envoy on Allowing IAEA Inspections

SK2904024694 Seoul YONHAP in English 0241 GMT 29 Apr 94

[Text] United Nations, April 28 (YONHAP)—Pyongyang is ready to allow additional inspections by the International Atomic Energy Agency [IAEA] considering the latest change in the situation on an inter-Korean exchange of special envoys after examining the future attitudes of the United States and the IAEA, North Korean Ambassador to the United Nations Pak Kil-yon said in a press conference here Thursday [28 April].

Pak seemed to be attaching a condition to the offer but his remark attracted attention since permitting further checks of its nuclear facilities would be considered a breakthrough in the lengthy impasse related to the North Korean nuclear issue.

South Korea recently withdrew the inter-Korean exchange of special envoys as a condition for a third round of high-level U.S.- North Korea talks.

North Korea previously maintained that any further inspections should be discussed at a third round of high-level talks with the United States.

Pak reiterated Pyongyang's position that the 1953 Armistice Agreement should be replaced by a peace accord between North Korea and the United States.

IAEA Proposes Fuel Rod Change Observation

SK2904004794 Seoul KBS-1 Radio Network in Korean 2200 GMT 28 Apr 94

[By correspondent Cha Man-sun from Vienna]

[Text] The International Atomic Energy Agency [IAEA] has sent a telegram to North Korea and urged North Korea to allow inspection when it replaces nuclear fuel rods under the condition that the IAEA conducts sample-taking and surveys gamma rays later. The IAEA proposed that it will send a five-member team to North Korea early next week.

IAEA spokesman David Kyd said that although the IAEA sent this message to the North Korean side, there is no change in the IAEA's basic position to conduct essential inspection activities pertaining to the replacement of the nuclear fuel rods.

It appears that the IAEA, changing its previous policy, intends to conduct inspections in a flexible manner because it expects that there will be a change in the North Korean position according to the results of U.S.-North Korea contacts to be held in the future.

DPRK Proposal on Armistice Pact Rebuffed

SK2904061794 Seoul YONHAP in English 0611 GMT 29 Apr 94

[Text] Seoul, April 29 (YONHAP)—South Korea rebutted Friday North Korea's recent proposals to replace the Armistice Agreement with a peace treaty, saying the more immediate task is resolution of the nuclear row.

"The root of the cause to the present tension and instability of the Korean peninsula is in North Korea's nuclear suspicion," a Foreign Ministry official said in a commentary, "therefore, resolution of the nuclear problem is the priority task."

"North Korea should not attempt to blur the core of the problem at the present stage and fully cooperate in solving the nuclear problem," the official said.

Pyongyang leaders have recently stepped up their campaign to replace the armistice pact with a peace agreement, urging the United States to sit down for negotiations.

The armistice was signed at the end of the fratricidal 1950-1953 Korean war, and the two Koreas are technically still at war in the absence of a peace treaty. Pyongyang insistently refused to talk to Seoul about the replacement, reasoning that South Korea was not a signatory to the armistice.

The Ministry official reminded that South and North Korea already agreed at their prime ministers' talks in 1992 that the two sides will work together to transfer the armistice into a peace pact.

Until then, the inter-Korean agreement says the two sides shall abide by the present military Armistice Agreement.

"The issue of establishing a new mechanism guaranteeing peace as proposed by the North is one that should be settled by South and North Korea as directly involved parties, based on the aforementioned agreement," the official said.

DPRK Envoy on Armistice Proposal

SK2904135694 Seoul KBS-1 Television Network in Korean 1228 GMT 29 Apr 94

[Excerpts] North Korea is undisguisedly trying to solve everything with its last nuclear card. During yesterday's working-level contact with the United States, North Korea proposed a peace agreement in exchange of the conditional acceptance of additional inspections. The United States did not accept the proposal. The following is a report by Chon Yo-ok:

[Begin recording] [Chon] In its attempt to provide a breakthrough in the relations with the United States blocked by the nuclear issue, North Korea suddenly proposed to replace the current Armistice Agreement with a peace agreement at yesterday's working-level contact.

The U.S. State Department plainly refused North Korea's proposal judging that it was intended to directly deal with the U.S. military representatives instead of the Military Armistice Commission.

After the contact, North Korea invited all foreign correspondents based in the PRC, except the ROK press corps, and held a news conference at the North Korean Embassy in China today strongly denouncing the United States.

[Pae Yong-chae, acting North Korean ambassador to China, identified by caption] The United States has unilaterally abrogated what was agreed upon in the Korean Armistice Agreement since it was signed in July 1953, and has introduced modern weapons, including over 1,000 nuclear weapons, into South Korea.

[Chon] [passage omitted] The appeasement gesture made by Pak Kil-yon, North Korean ambassador to the United Nations, saying that Pyongyang is ready to exceptionally allow additional inspections, was aimed at having a direct dialogue with the United States by proposing a peace agreement. North Korea's sudden change of attitude clearly reflects the limit of its unreasonable diplomatic policy in trying to solve everything with the only card—the nuclear issue. [end recording]

U.S.-DPRK Working-Level Contact Reported

SK2904001194 Seoul KBS-1 Radio Network in Korean 2200 GMT 28 Apr 94

[YONHAP report from New York]

[Text] The United States and North Korea held a working-level contact in New York early this morning and intensively discussed the presence of an International Atomic Energy Agency [IAEA] inspection team when North Korea replaces nuclear fuel rods, the additional inspection of a radiochemical experimental power station in Yongbyon, and the creation of conditions for holding a third round of U.S.-North Korean high-level talks.

Kim Chong-so, deputy ambassador at the North Korean mission to the United Nations, said that a contact with the U.S. side will be held today, and confirmed that dialogue between the United States and North Korea has been resumed.

Today's working contact is to be held after two months since the last U.S.-North Korean contact was held on 25

February, when the two sides agreed on the principle of inspecting declared nuclear facilities in North Korea.

Tom Hubbard, deputy U.S. assistant secretary of state, and other officials attended the contact for the U.S. side, and Kim Chong-so, deputy ambassador, and Han Song-yol, political councilor, represented the North Korean side.

At the contact, the U.S. side urged North Korea to allow an additional inspection of the radiochemical experimental power station and to create conditions for a third round of talks, stressing that the ROK side already withdrew the demand for the exchange of North-South special envoys—a condition for the third round of U.S.-North Korea high-level talks—and showed flexibility.

The United States also pointed out that North Korean nuclear activities should be frozen while the U.S.-North Korean dialogue is ongoing, and asked the North Korean side not to load [changchak] fuel rods again in the five-megawatt nuclear reactor in Yongbyon. The United States requested that the presence and inspection activities of the IAEA inspection team be sufficiently guaranteed.

The North Korean side, however, claimed that it kept all of the promises it made previously, including allowing all inspections to ensure continuity of safeguards of nuclear facilities. Thus, North Korea showed the position of resolving the issue of additional inspections, the issue of supporting the work of turning North Korean nuclear facilities into light-water reactors, and the issue of improving U.S.-North Korean relations, in a package, by convening the third round of U.S.-North Korean high-level talks at an early date.

Meeting Held Behind 'Closed Doors'

SK2904030894 Seoul YONHAP in English 0300 GMT 29 Apr 94

[Text] New York, April 28 (YONHAP)—North Korea and the United States met behind closed doors Thursday [28 April] to discuss a diplomatic solution to the dispute over Pyongyang's nuclear program, sources here said.

Washington expressed its willingness to hold a third round of high-level talks with Pyongyang as well as suspend "Team Spirit," the annual joint South Korean-U.S. military exercise, if North Korea permits additional outside nuclear inspections and agrees to resume inter-Korean dialogue.

The United States said North Korea should allow the International Atomic Energy Agency [IAEA] to observe the refueling of the 5- megawatt reactor at Yongbyon and satisfy the IAEA's calls for collection of samples and other technical work, informed sources said.

The State Department announced that at the working-level contact Thursday, the U.S. side conveyed a letter from Robert Gallucci, assistant secretary for political and military affairs, in response to a written message from Kang Sok-chu, North Korea's first vice foreign minister.

The State Department said it expects that North Korea will answer the letter soon.

Gallucci reportedly said in the message the United States will hold further high-level talks and suspend Team Spirit if North Korea maintains the continuity of nuclear safeguards by allowing additional inspections, the sources said.

North Korea did not present any new proposals, instead just listening to the U.S. position, but will likely disclose its stance at the next contact expected early next week, sources said.

The meeting was made at the request of the U.S. side.

The State Department's North Korea desk officer, C. Kenneth Quinones, led the Americans while the councilor at the North Korean mission to the United Nations, Han Song-yol, headed the other side.

The two nations agreed at their Feb. 25 contact that North Korea would accept IAEA inspections of seven declared nuclear sites, that they would hold a third round of high-level talks, that Team Spirit would be suspended this year, and that South and North Korea would exchange special envoys.

But North Korea refused to exchange special envoys and did not accept IAEA checks of a radiochemical laboratory, in effect breaking the agreement.

Supreme Court Rejects Appeal by U.S. Soldier

SK2904093194 Seoul YONHAP in English 0925 GMT 29 Apr 94

[Text] Seoul, April 19 (YONHAP)—The Supreme Court rejected Friday an appeal by a 22-year-old American soldier charged with murdering a Korean bar girl, confirming the original sentence of 15 years in prison. The high court found Pvt. Kenneth Markle guilty of intentional murder and dismissed his plea of self-defense in view of the circumstances surrounding the murder.

As soon as it receives the ruling, the Justice Ministry will ask the delivery of the convict from the U.S. Forces Korea in accordance with the Korea-U.S. Status of Forces Agreement (SOFA) to put him in a juvenile prison in Chonan. Currently three American soldiers are confined in Chonan prison.

The U.S. side can reject Korean Government requests to claim soldiers, civilian employees in the military or their dependents accused of a criminal offense on the ground of "sympathetic consideration" provision of the SOFA but must comply with the requests when they are found guilty in a court of law.

The Korean prosecution originally sought to put Markle under its custody in view of the cruelty and inhumanness of his murder of Yun Kum-i in October 1992, but it had to indict him without physical detention since the American forces refused to turn him over in accordance with the provision. He is currently detained at a U.S. base here.

Military Cooperation Accord Signed With Russia

SK2904100794 Seoul YONHAP in English 0953 GMT 29 Apr 94

[Text] Seoul, April 29 (YONHAP)—South Korean Defense Minister Yi Pyong-tae signed a "memorandum of understanding on bilateral military exchanges between Korea and Russia '94-95", which puts emphasis on exchange of personnel, at a meeting Friday with his Russian counterpart Pavel Grachev in Moscow, the South Korean Defense Ministry said.

Yi and Grachev talked about major international issues in Northest Asia, including Pyongyang's nuclear ambitions, the ministry said. The two ministers shared the view that the suspected North Korean nuclear problem should be checked to ensure peace in Northeast Asia and that the North must return to the nuclear Non- proliferation Treaty to assume its responsibility as a member of international community, the ministry said.

The two agreed to enhance bilateral military cooperation including exchanges of students and military personnel, the ministry said.

In accordance with the agreement, Mikhail Kolesnikov, Russian chief of General Staff, will visit South Korea during the second half of the year while South Korea's vice defense minister and the Air Force chief of Staff will visit Russia next year, according to the ministry. Russian Defense Minister Pavel Grachev will reciprocate with his Seoul visit next year, the ministry said.

The two sides agreed that South Korean military officers be assigned to Russian military education centers to help them learn the Russian language and enhance understanding between the two countries, the ministry said.

South Korean Naval Academy cadets will also be allowed to call at Russian ports while on their tour of foreign countries in their training ships, the ministry said.

The two also exchanged views on Russia's idea of repaying Korean loans in kind, particularly in weapons, the ministry said.

During his stay in Russia, Yi will meet with Russian Prime Minister Viktor Chernomyrdin, Foreign Minister Andrey Kozyrev and other high-ranking officials, the ministry said. Yi will also visit major Russian military facilities including tank units before leaving for Germany on May 3.

Creditors Give Iran Moratorium on Debts

SK2904120194 Seoul YONHAP in English 1154 GMT 29 Apr 94

[Text] Seoul, April 29 (YONHAP)—Another moratorium has been granted to the outstanding debts Iran owes to South Korean traders.

A business source said on Friday that a visiting Iranian Central Bank delegation and representatives of South Korean creditors agreed on Thursday that the debts will be paid in three years and six months on an installment payment basis after two years' grace.

The outstanding debts Iran owed to major Korean firms totaled 360 million dollars as of the end of last year.

Toward the end of last year, the two sides agreed on the payment of the debts in two years after a year's grace period.

When the 70 million dollars maturing this year are included, the total outstanding debts would total 430 million dollars, the source said.

This amount represents the debts Iran owes to those 16 major industries which maintain branch offices in Iran. When those owed to small Korean industries are counted, the total outstanding debts would easily run to more than 500 million dollars, he said.

Assembly Fails To Approve Prime Minister 28 Apr

SK2904003594 Seoul YONHAP in English 0021 GMT 29 Apr 94

[Text] Seoul, April 29 (YONHAP)—The National Assembly failed to approve the newly appointed prime minister Thursday, the last day of the extraordinary session, but decided to extend the session by one day to try again.

At 11:15 p.m. Thursday, Speaker Yi Man-sop tabled a motion on approving the presidential appointment of Yi Yong-tok as prime minister and an opposition proposal that all members of the cabinet resign, but the plenary session could not vote because of an opposition filibuster.

With eight minutes left until the session's official adjournment at 11:52 p.m., the speaker acted on an opposition Democratic Party motion and extended the session by one day.

The National Assembly, hindered by disagreement between the ruling and opposition parties, could not break the current impasse as it refused to approve the new prime minister unless plans for parliamentary investigation of the Sangmudae scandal are approved at the same time.

The major stumbling block for the Sangmudae plans was an opposition demand to call 51 witnesses, including former presidents and current chief executive Kim Yong-sam, to testify in the Assembly. The ruling Democratic Liberal Party opposes the motion.

Another opposition proposal demanding the resignation of the entire cabinet was scrapped in accordance with the National Assembly law that calls for parliamentary action within 72 hours of a proposal.

Since the Kim administration could not obtain parliamentary approval of the new prime minister, the expected appointment of Yi Yong-tok's successor as deputy prime minister and head of the National Unification Board, as well as a possible limited reshuffle of the cabinet, will likely be delayed by one day.

Because of the political impasse at the National Assembly, the Kim administration has been without a cabinet administrator for one week.

The ruling and opposition parties plan to continue their negotiations Friday on the Sangmudae scam investigation. If they can work out a compromise Friday, the National Assembly will vote on the new prime minister before acting on the Sangmudae scam probe plans.

But the prospect of the rival parties agreeing on the Sangmudae scandal was still uncertain Friday morning.

The Democratic Party wants the National Assembly to investigate the Sangmudae scam, in which the president of a construction company created a slush fund out of the proceeds of the project for moving military facilities called Sangmudae in Kwangju to the city's outskirts.

The opposition party claims that part of the slush fund eventually was funnelled into the ruling party as campaign funds during the 1992 presidential election.

Prime Minister's Appointment Approved 29 Apr

SK2904112894 Seoul KBS-1 Radio Network in Korean 1000 GMT 29 Apr 94

[Excerpts] The National Assembly has passed a bill approving Prime Minister Yi Yong-tok's appointment. The appointment was passed with 170 of 180 ruling-party votes in favor. The following is a report by Ko Tae-hyon from the National Assembly:

[Begin Ko recording] Yi Yong-tok's appointment as prime minister was approved at 1850 [0950 GMT] by the National Assembly session attended only by lawmakers of the Democratic Liberal Party [DLP]. The appointment was passed with 170 of 180 DLP votes in favor. The National Assembly session adjourned immediately after the prime minister's appointment was approved. Therefore, the 167th ad hoc National Assembly session was also automatically closed. [passage omitted]

The session began at 1833 with only the DLP lawmakers present. After the session began, Speaker Yi Man-sop said that he could not let the government administration vacuum continue and that, in his neutral position, his conscience forced him to proceed with the voting on the bill on approving the appointment of the prime minister. Speaker Yi then announced that the voting began.

At that time, some opposition party lawmakers who were in the assembly hall yelled at Speaker Yi asking for permission to ask questions but the voting continued. [passage omitted]

The session was scheduled to begin at 1400 today but the ruling and opposition parties agreed to postpone the session four times to seek a compromise regarding the appointment of the prime minister and the National Assembly's [Sangmudae] investigation.

Speaker Yi Man-sop notified the Democratic Party at 1730 that if the Democratic Party did not let him know whether to accept the speaker's mediation proposal by 1800, he would unilaterally begin the session in virtue of his rights as the speaker.

The session was delayed for another 20 minutes because the Democratic Party asked for more time but it did not respond to Speaker Yi's mediation proposal. Speaker Yi entered the hall and announced the beginning of the session at 1820. [end recording] [passage omitted]

DP 'Boycotted' Session

SK2904113794 Seoul YONHAP in English 1129 GMT 29 Apr 94

[Text] Seoul, April 29 (YONHAP)—The National Assembly approved the president's selection of Deputy Prime Minister Yi Yong-tok as new prime minister Friday evening.

In a plenary session attended only by ruling Democratic Liberal Party members and a small number of independents, 170 solons voted for Yi's appointment and 10 others against.

The opposition Democratic Party [DP] boycotted the session, reasoning that they couldn't accept the floor act only on the nomination of a new prime minister without dealing with the issue of witnesses and references with regard to the Sangmudae scandal.

In a party decision, most of the DP lawmakers stood away from the session while a few solons including Cho Hong-kyu and Chang Ki-uk strode into the hall and urged the speaker to stop taking the vote.

But, they did not mount any physical harassment.

Prior to the 6:10 P.M. session, the speaker arranged a last- minute bipartisan floor leaders meeting. However, they failed to reach any accord.

The ruling party suggested that the issue of whether to adopt 20 undecided people out of the 50 witnesses and references produced by the opposition party be discussed later when the need of their testimonies arises.

The opposition party, on the other hand, wanted that the issue of the 20 people should be expressly settled forthwith without any further delay.

With the parliamentary endorsement of Yi Yong-tok's selection as new prime minister, the 167th extraordinary session of the National Assembly, whose legal period had been extended by four days, came to a close.

Speculation on Expected Cabinet Reshuffle

SK2904042294 Seoul YONHAP in English 0320 GMT 29 Apr 94

[Text] Seoul, April 29 (YONHAP)—While observing the seemingly endless wrangling between the ruling and opposition parties, President Kim Yong-sam kept silent during the past week since he wanted the National Assembly to approve his new prime minister.

Moreover, Kim made no mention whatsoever of Yi Hoe-chang after he had the former prime minister step down for challenging the president's authority.

Kim has refrained from commenting on the former premier as he felt a deep sense of betrayal by Yi Hoe-chang, according to some Chongwadae [presidential offices] aides.

The chief executive, however, has by no means been inactive over the week.

He visited a precision-instrument factory in Ansan on Sunday and invited 58 "new Koreans," selected from various segments of society, to Chongwadae for talks on Tuesday. He praised them for setting a good example for the rest of the country.

On Wednesday, Kim presided over a meeting of the New Economy Promotion Committee at a Kwachon Government Building, showing he was concentrating on boosting the nation's economy and stabilizing consumer prices.

He then went down to Asan, South Chungchong Province, to attend a cermony marking the 449th anniversary of the birth of Admiral Yi Sun-sin and visited the grave of Yun Pong-kil in Yesan to pay his respects to the independence fighter.

Through all these activities, Kim may have wished to demonstrate to the people that their chief executive was busy even though the legislative branch was wallowing in one constroversy after another.

No one can say the president is in a happy frame of mind these days, said one aide. It is apparent, however, that he is determined to lead the nation no matter what.

But many officials at Chongwadae cannot deny that the past week seemed as long as a month, not because of a subdued president but because of the opposition Democratic Party's refusal to approve Yi Yong-tok as prime minister.

The administration has been caught in a vacuum, so to speak, throughout the entire week. The execution of national policies has been put off and most Chongwadae and government officials await the National Assembly's approval of their top administrator.

Chongwadae has stood ready since last Monday for a ceremony at which the president was to hand his credentials to the new prime minister, but had to postone it day after day.

There had been speculation that President Kim would not simply sit idle and leave the National Assembly in an unproductive mess. He must be contemplating some action, observers said.

He would surely act as soon as the National Assembly approved his prime minister, they said.

In other words, the president had no intention of allowing the government to limp along in approving the prime minister-designate. He would patiently wait for the National Assembly to finally come to its senses and give him a full-fledged prime minister.

"That is the Kim YS style—the great and orthodox path," one commentator said.

As soon as Yi Yong-tok is approved as prime minister, the president will consult with him and name Yi's replacement at the National Unification Board. There may be a limited reshuffle of the cabinet as well.

But since the current difficulty—or "national crisis" as the opposition party calls it—resulted from the resignation of Yi Hoe-chang, his replacement will put the government back on track. No more personnel changes are needed, they said.

In fact, some observers believe that President Kim will retain all of his senior presidential secretaries at Chongwadae and change very little in the cabinet, leaving its framework intact.

At the first cabinet meeting to be followed by a reshuffle, the president will likely ask his ministers to rally around the new prime minister and work for his administration's overriding goal of reform.

Burma

Delegates Return From GATT Meeting in Morocco

BK2404150494 Rangoon Radio Burma in Burmese 1330 GMT 24 Apr 94

[Text] A Myanmar [Burmese] delegation led by Brigadier General Abel, minister of national planning and economic development, returned to Yangon [Rangoon] by UB-222 flight this afternoon after attending the GATT organization's ministerial meeting on Uruguay trade negotiations held in Marrakech, Morocco, and the phase-3 meeting on upgrading economic cooperation among six regional countries which was sponsored by the National Planning Committee of Vietnam and the Asian Development Bank and held in Hanoi.

In Marrakech, Brig. Gen. Abel, leader of the Myanmar delegation and minister of national planning and economic development, signed the final agreement of the Uruguay Round and an agreement on subjects [bathayat saing-ya sagyoke]. He also acted as a chairman and delivered an address in Marrakech.

Deputy Trade Minister Returns From PRC

BK2404143294 Rangoon Radio Burma in Burmese 1330 GMT 24 Apr 94

[Text] A Myanmar [Burmese] delegation led by Colonel Aung Thaung, deputy minister of trade, returned to Yangon [Rangoon] by air at 1500 this afternoon after attending the 75th Anniversary Spring Festival held in Guangzhou, People's Republic of China [PRC]; and the PRC Machinery and Electronics Fair'94, held in Shenzen.

The delegation was welcomed at Yangon Airport by Lieutenant General Tun Kyi, member of the State Law and Order Restoration Council and minister of trade, and other responsible personnel.

Delegation Leaves for Thai Border Meeting

BK2504154394 Rangoon Radio Burma in Burmese 1330 GMT 25 Apr 94

[Text] A 23-member Myanmar [Burmese] delegation led by Major General Ket Sein, commander of the Southeast Military Command, and including Maj. Gen. Saw Tun, commander of the Eastern Military Command, left for Thailand this morning on a special military aircraft to attend the ninth meeting of the Myanmar-Thai Regional Border Committee in Thailand. The delegation was seen off at the airport by Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council; Foreign Minister U Ohn Gyaw; Rear Admiral Tin Aye, Navy chief of staff; Maj. Gen. Tin Ngwe, Air Force chief of staff; and responsible personnel from the Foreign and Defense Ministries.

Education Minister Joins Prime Minister's Office

BK2704153094 Rangoon Radio Burma in Burmese 1330 GMT 27 Apr 94

[Declaration No. 3/94 of the State Law and Order Restoration Council; issued 27 April]

[Text] Change of portfolio of cabinet minister.

The State Law and Order Restoration Council [SLORC] has transferred Education Minister Colonel Pe Thein to the portfolio of minister of prime minister's office.

By the authority vested in me,

Signed; Khin Nyunt, lieutenant general, secretary-1 of the SLORC.

225 Returnees Brought Back From Bangladesh

BK2204094794 Rangoon Radio Burma in Burmese 0630 GMT 22 Apr 94

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of those who had illegally left Myanmar [Burma] for Bangladesh, a delegation led by Camp Supervisor Mr. Akhtar Hossain from the country on the other side [Bangladesh], transferred 225 returnees from 53 households to our Kanyinchaung reception center on the morning of 20 April. The returnees were brougt in six schooners.

SLORC Releases 7 Detainees From Insein Jail

BK2604143694 Rangoon Radio Burma in Burmese 1330 GMT 26 Apr 94

[Text] It has been learned that seven male detainees who had action taken against them under existing laws and were serving their sentences were released from Insein Central Jail today. The remainder of their sentences were commuted in accordance with Declaration No. 11/92 of the State Law and Order Restoration Council [SLORC].

Official Appointments Announced by SLORC

Deputy Ministers Appointed

BK2704143994 Rangoon Radio Burma in Burmese 1330 GMT 27 Apr 94

[Notification No. 23/94 of the State Law and Order Restoration Council; issued on 27 April]

[Text] Appointment of deputy ministers;

The State Law and Order Restoration Council [SLORC] has appointed the following persons deputy ministers of the respective ministries;

1. Dr. Than Nyunt, Ministry of Education

2. U Aung Thein, Ministry of Livestock Breeding and Fisheries

3. Colonel Aung San, Ministry of Construction

By the authority vested in me,

Signed; Khin Nyunt, lieutenant general, secretary-1 of the SLORC.

Maung Aye Appointed Vice Chairman

BK2704140194 Rangoon Radio Burma in Burmese 1330 GMT 27 Apr 94

[Declaration No. 2/94 of the State Law and Order Restoration Council; issued on 27 April 1994]

[Text] Appointment of vice chairman of the State Law and Order Restoration Council [SLORC].

The SLORC has appointed General Maung Aye, SLORC member, deputy commander in chief of the defense services, and Army commander in chief, as the vice chairman of SLORC.

By the authority vested in me,

Signed; Khin Nyunt, Lieutenant General, secretary-1 of the SLORC.

New Auditor General Appointed

BK2704142894 Rangoon Radio Burma in Burmese 1330 GMT 27 Apr 94

[Order No. 2/94 of the State Law and Order Restoration Council; issued 27 April]

[Text] Appointment of auditor general

The State Law and Order Restoration Council [SLORC] has appointed U Aung Khin Tint auditor general, effective today.

By the authority vested in me,

Signed; Khin Nyunt, lieutenant general, secretary-1 of the SLORC.

Brunei, Malaysia & Singapore

Malaysia

Minister To Attend New York ICO Meeting

BK2504153994 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 25 Apr 94

[Text] Malaysia will attend a meeting of the Organization of Islamic Council, OIC [Islamic Conference Organization—ICO], contact group on Bosnia-Herzegovina in New York on Wednesday. A statement issued today by Wisma Putra [Foreign Ministry] stated that Foreign Minister Datuk Abdullah Ahmad Badawi will represent Malaysia at the ministerial meeting. According to the statement, the meeting was significant in the context of underlining the seriousness and commitment of Malaysia and other Islamic countries toward the Bosnians' struggle. It was also to intensify the OIC's joint effort to end the Serbian aggression in Bosnia-Herzegovina. Malaysia would continue to urge the Security Council to lift the arms embargo on Bosnia-Herzegovina to enable the Bosnians to defend themselves.

Meanwhile, Mr. Lim Hong Seng, chief of the MCA's [Malaysian Chinese Association] Bureau of International Affairs, called on the five permanent members of the United Nations Security Council to provide adequate protection for the Bosnians. In a statement issued in Kuala Lumpur, he said the attacks on the safe havens by the aggressors indicated the UN's inability to implement its resolution after resolution.

ASEAN Trade Ministers To Seek AFTA Expansion

BK2504164094 Kuala Lumpur NEW SUNDAY TIMES in English 24 Apr 94 p 6

[By A. Rachel]

[Text] Genting Highlands, Sat—ASEAN Trade Ministers have agreed to review the implementation of the ASEAN Free Trade Area (AFTA) which includes extending its scope to cover other sectors and shortening its time frame.

The meeting also decided to set up a policy exchange mechanism (PEM) to informally discuss policies and issues of common interest in economic development on a regular basis.

The first PEM session, which will discuss industrialisation policies of ASEAN member countries will be held together with ASEAN Economic Ministers Meeting in Chiang Mai in September.

At a press conference after the informal two-day ASEAN Trade Ministers' meeting today, International Trade and Industry Minister Datuk Sri Rafidah Aziz said: "If there is a need to shorten the time frame for AFTA, we will look into it."

With the General Agreement on Tariffs and Trade (GATT) to be implemented next year and the growing importance of the services sector, the ministers agreed to look into the possiblity of developing an ASEAN framework of co-operation in this sector.

This will include non-financial services such as transportation and tourism.

The ministers also agreed to look into the possibility of including raw agricultural products under AFTA.

At present, the 15 groups of manufactured products that come under AFTA are manufactured and processed agricultural products.

AFTA will see trade barriers in ASEAN countries dropping to as low as zero to five percent over a 15-year period.

The ministerial meeting also agreed that the ASEAN Geneva committee will undertake a study on the implications and impacts of the various new issues that have been proposed to be introduced into the work programme of the World Trade Organisation (WTO) which will take over from GATT as of next year.

"In addition, the ministers have agreed to recommend to the WTO that future negotiations on trade and services be carried out on a sectoral basis in view of the difficulty and time required to deal with many sectors at one time," said Rafidah.

The ministers also reiterated ASEAN's stand to strongly oppose any attempts to link trade with social issues and labour standards as these should be dealt by the appropriate international organisations.

Other issues that were discussed included the benefits of linkages between regional groupings to further enhance multilateral trade and the globalisation of trade.

The senior economic officials' meeting has been given the task of reviewing AFTA. It will make recommendations to the AFTA Council.

The AFTA Council, which would meet before the Chiang Mai meeting, would decide on the various issues and submit a report to the Economic Ministers' meeting, Rafidah said.

Among those who attended the meeting were Brunei's Minister of Industry and Primary Resources Pehin Datuk Abdul Rahman, Philippine Secretary of Trade and Industry Rizalino Navarro, Indonesia's Coordinating Minister for Industry and Trade Hartato Sastrosunarto, Indonesia's Minister of Trade Professor Dr. S.B. Judono and Singapore's Minister of Trade and Industry Yeo Cheow Tong.

Dispute With Brunei on Limbang Dispute Resolved

BK2604141194 Kuala Lumpur NEW STRAITS TIMES in English 25 Apr 94 pp 1, 4

[By Saiful Azhar Abdullah]

[Text] Langkawi, Sun—Malaysia and Brunei have reached an understanding that the overlapping claims on Limbang should be resolved through bilateral discussions instead of referring the issue to a third party for arbitration.

Foreign Minister Datuk Abdullah Ahmad Badawi said today the issue would not be referred to the world court for a settlement.

"We have an understanding that the issue should be resolved and that it should be done at bilateral level," he said at a joint press conference with Brunei Foreign Affairs Minister Pengiran Muda Mohamed Bolkiah at the end of the first meeting of the Malaysia-Brunei Joint Commission for bilateral co-operation at the Berjaya Langkawi Beach Resort here.

Earlier, Mohamed Bolkiah had expressed satisfaction over the discussions to resolve the issue.

Abdullah said: "We agree that although this problem is sensitive, it is vital that any discussion on the matter should be conducted in the spirit of the good relationship, besides maintaining the bilateral relations between Malaysia and Brunei."

He said Foreign Ministry secretary-general Tan Sri Ahmad Kamil Jaffar and Brunei Foreign Affairs Ministry Permanent Secretary Datuk Paduka Lim Jock Seng would be responsible for establishing the approach to resolve the Limbang issue.

Abdullah said the approach to be established by the two would be referred to the heads of state of the two countries for further direction.

The issue of overlapping territorial claims on land and offshore, along Sarawak's Limbang district rose from Brunei's recent declaration of an exclusive economic zone (EEZ) off the Borneo coast.

The 274-kilometre of unmarked border between Brunei and Sarawak has hampered the completion of the Pan-Borneo highway linking Sarawak, Brunei and Sabah. In addition, it has led to a rise in illegal crossings and logging activity there.

Limbang, over 3,978 sq km (about half the size of Selangor), was annexed from Brunei in 1890 by the then white Rajah of Sarawak, Sir Charles Brooke, but parts of the border area were not surveyed in an agreement signed between the British in Sarawak and Brunei in the 1930s.

The joint commission was set up after Prime Minister Datuk Sri Dr Mahathir Mohamed's visit to Brunei in August last year to enhance bilateral co-operation and pave the way for peaceful solutions to problems.

Another important consensus reached at the inaugural meeting was on the formation of a joint committee on land and maritime boundaries to formulate a comprehensive approach and proposal on the delineation, demarcation and survey of land and maritime boundaries between the two countries for submission to the joint commission.

Abdullah said the meeting also agreed that, pending the final demarcation of land boundary between the two countries, the Malaysian immigration post at Kampung Tedungan and the Brunei post at Kuala Rulah would continue to operate without prejudice to the outcome of the negotiations on the land boundaries.

The meeting also agreed that the committee should formulate solutions on any matter referred to it by the Malaysia-Brunei joint commission including cross-border problems such as administration of law and order, land ownership including claims for compensation, smuggling, encroachment and traditional fishing areas.

Abdullah said Malaysia had expressed the importance of expediting the construction of the Pan-Borneo highway to enable trade and traffic movement between the two nations.

"We are of the opinion that the highway could contribute to the development of the East ASEAN Growth Area," he added.

Other areas of co-operation discussed include cooperation in technical fields, tourism, education and transportation.

On technical co-operation, Abdullah said Malaysia was ready to train young Brunei diplomats at the Malaysian Institute of Diplomatic and Foreign Relations.

In response to a question on Brunei's contribution to end the conflict in Bosnia Herzegovina, Pengiran Muda Mohamed Bolkiah said Brunei's stand was similar to other countries and members of the Organisation of Islamic Conference.

He added that the aid given by Brunei to end the conflict was similar to that of other countries.

Abdullah said he and his counterparts had also taken the opportunity to discuss the Bosnian issue and both of them agreed to call for an immediate end to the conflict.

Over 2,500 PBS Members Quit, Join Akar Party

BK2604135494 Kuala Lumpur NEW STRAITS TIMES in English 25 Apr 94 p 4

[Text] Kota Marudu, Sun—More than 2,560 former Parti Bersatu Sabah [Sabah United Party, PBS] members quit the party to join the Angkatan Keadilan Rakyat, Akar, [People's Justice Organization), a state Barisan Nasional [BN] component, here today.

They submitted their membership forms to Akar president Datuk Mark Koding at the community centre.

They decided to join the Dusun-Kadazan based Akar after Bandau MP George Sangkin left the Parti Demokratik Sabah (PDS) [Sabah Democratic Party] to join the party last week. Sangkin was with PBS before joining PDS.

At the gathering, Koding called on members of the PBS, PDS, and Parti Bersatu Rakyat Sabah (PBRS) [Sabah United People's Party] to join Akar.

He said the party has set a target of increasing its members to 150,000 from the present 50,000 by the end of the year.

"Akar being a BN component is in a better position to champion the interests of the Dusuns and Kadazans [ethnic groups]," Koding said.

He said the newly-formed BN state government was sincere in wanting to develop the state.

"If we continue to isolate ourselves then we would be left behind from the mainstream of national development."

Akar deputy president and Minister of Culture, Youth and sports Pandikar Amin Mulia and Sangkin were also present at the function.

Army To Upgrade Armored Vehicles

BK2604132394 Kuala Lumpur NEW SUNDAY TIMES in English 24 Apr 94 p 6

[Excerpt] Kuala Lumpur, Sat—The Army has proposed upgrading its Commando V-150 armoured personnel carriers [APCs] instead of buying new vehicles and to overcome the shortage of armoured vehicles and save costs.

Defense Minister Datuk Sri Najib Tun Razak said today that the army was now facing a shortage of armoured vehicles as it had sent a substantial number of such vehicles to protect its troops serving under the United Nations in Bosnia and Somalia.

He said although the army had about 1,000-odd armoured vehicles in its inventory, almost one-third were between 20 and 30 years old.

He added that the choice was between buying new armoured personnel carriers, which would cost hundreds of millions ringgit or upgrade and refurbish the existing armoured vehicles.

"We are studying the cost of such work and hope to make a decision soon," said Najib in an interview.

Apart from the 200-odd Commando V-150 APCs, the army also has about 500 German-made Condor APCs, 165 Belgium-made Sibma Armoured Fighting Vehicles (AFVs) 25 British-made Scorpion AFVs, 26 Stormer APCs, and an unconfirmed number of Ferret Scout cars.

The Scorpions and Stormers are armoured tracked vehicles while the others are armoured wheeled vehicles.

The most modern of the vehicles are the Scorpions and the Stormers, which were delivered in the mid-80s.

The Ferrets, he said, were about 30 years old and were used by security forces as escort vehicles during operations against the communist terrorists during the 1960s and 1970s.

The Commandos, which were also used extensively in counter- insurgency operations, were delivered in batches from 1973 with the last delivery in 1983.

MMC Engineering Services Sdn Bhd [Company Limited] (MMCE), a wholly owned subsidiary of Malaysia

Mining Corporation Bhd, had been awarded a contract to modernise the Ferret Scout cars at its plant in Nilai, Negri Sembilan.

It is also carrying out general overhaul work on the Condors which are more than 10 years old with the help of the manufacturer, Thyssen Industrie AG Henschel of Germany.

MMCE had also been given a contract to reengine some of the Commandos from petrol to diesel to save costs and ensure a longer engine lifespan.

Meanwhile, Cadillac Gage, the United States manufacturer of the Commando APCs, said refurbishing the vehicles would cost one-third of the price of buying a brand new APC and that it would extend the service lifespan of the vehicles by between 10 and 15 years. [passage omitted]

Joint Exploration Accord With Thailand Hailed

BK2504141294 Kuala Lumpur NEW STRAITS TIMES in English 23 Apr 94 p 10

[Editorial: "A Pragmatic Compromise"]

[Text] After 14 years of protracted negotiations, Malaysia and Thailand signed agreements to jointly explore resources in the Gulf of Thailand. What is remarkable is not that it took so long, but that any agreement was reached at all. The area which is now known as the Joint Development Area, covering 7,250 square kilometers on the Malaysian-Thai border, has been in the limbo of polite dispute—by mutual agreement it had been consigned as a no man's land, which kept its economic potential safely out of anyone's reach. All over the world, border disputes cause friction between nations—sometimes enough to heat up into war, particularly when the area is rich in resources. The recent Gulf War was a classic case.

Territorial disputes tend to go on and on because any contending nation would consider it too much of a face down to concede or compromise—land area is so integral to the definition of national sovereignty that no territory can be given away or even shared. National claims are often highly complex—invoking history, geography, security, even ancient tradition—so that disputed areas are left peaceably unsettled at best. The political dimension of border issues often leave them too intractable for easy mediation—but there is one way out of this impasse. If there is sufficient consensus to subdue politics, a practical formula can be worked out to jointly extract the disputed territory's socio-economic potential and share the gains. Politics, however, has a habit of getting in the way of relations between nations, to the detriment of economic pragmatism. The attainment of the Joint Development Area agreements not only bears testimony to the growing maturity of the Malaysia- Thai relationship; it forms a pointer to a path of least resistance and mutual benefit in the resolution of similar border problems.

It is in the nature of claimant countries never to give way for an interim deal until the core contention of territorial sovereignty is resolved. This centrality of sovereignty in border disputes is why even tiny bits of wasteland can turn into a fait accompli for all out war. Thus the ability to set aside sovereignty for the time being is not only a victory of common sense pragmatism over doctrinaire national self-interest. The realization of mutual economic gain also works the other way—it diminishes the overriding all-or-nothing significance of territorial sovereignty. Most of the region's remaining disputes are over uninhabited little outcrops of land which have come into contention by being at the far limit of marine boundaries. They become sore points only when they offer an economic potential, usually in the form of mineral deposits. Rather ironically, this potential can also offer a first step to an eventual settlement, rather than the pretext for discord.

Separating the prompt gains of joint exploitation from the decisive outcome of sovereign ownership is as hard as seeing the wood for the trees. It not only requires clear-sightedness, but trust and self-confidence. In ASEAN, Malaysia and Thailand are perhaps the two who most readily see eye to eye on an emphatic regional economic focus. Trade and economics are increasingly dominating regional security, diplomacy and multilateralism at the expense of political ideology. Perceiving and acting on, the difference between winning the spoils and sharing the fruits is easy enough for the rational person. For nations, however, it can be a big step. Malaysia and Thailand have taken that step.

* Ministry To Honor Outstanding Scientists

[Editorial Report] The Kuala Lumpur UTUSAN MALAYSIA in Malay on 20 March, p 2, reported that the government has allocated $5 million over a five-year period to establish the "Malaysian Science Academy." The academy is to be an "elite" organization for "outstanding Malaysian scientists." Science, Technology, and Environment Minister Datuk Law Hieng Ding said the objective of the organiziation is to foster scientific know-how, and to exchange ideas among scientists in analyzing national problems and in making recommendations to the government. Additionally, Minister Law said, the academy will ensure that outstanding scientific contributions, such as new inventions, receive due recognition. Scientists who make valuable contributions will be called "academicians," and will be eligible for a life pension.

Cambodia

Top Leaders Exchange Messages on Peace Talks

Sihanouk Asks Khieu Samphan's View

BK2804153494 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 28 Apr 94

[Address by King Norodom Sihanouk at palace audience on 28 April in Phnom Penh—recorded]

[Excerpt] [Partly indistinct passage appealing for the release of abducted foreigners] Now I would like to inform foreign and local newspapers that the roundtable betwen the Royal Government of the Kingdom of Cambodia and Khieu Samphan, His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea, in principle should take place from 2 to 7 May to find a common means to build and restore a peaceful and independent Cambodia with its territorial integrity to avoid fighting. Our compatriots have suffered constantly because of this war. I would like to ask that this fighting end and to have peace and security for our compatriots everywhere throughout the Kingdom of Cambodia.

Some do not listen to me, to the king. They keep saying that they love and respect the king, but in words only not in deeds. Therefore, I would like to again beg them to stop fighting and turn to talk peacefully to solve the problem.

Khieu Samphan, H.E. Khieu Samphan, has said that there is no security for him in Phnom Penh. H.E. Hun Sen, Samdech Hun Sen and Prince Krompreah Norodom Ranariddh said they can give a 100 percent guarantee that there will be no danger to H.E. Khieu Samphan and other Khmer Rouge members who attend the roundtable to talk peacefully. This is 100 percent guaranteed. Despite this, H.E. Khieu Samphan and his group do not trust it. They want me to take this roundtable to foreign countries instead of meeting in our country. The royal government replied that no, leaving our country would be a disgrace to our nation, which requires that this be held in our country.

H.E. Khieu Samphan, please reply to my message, sent to you on 24 April. It is already 28 April and H.E. Khieu Samphan has not yet replied. Please reply quickly so that I may have enough time to organize the roundtable.

If he refuses to come to Phnom Penh for the meeting, however, we will have to postpone it and discuss the matter if this cannot be done in Phnom Penh and about the place he wants the meeting to be held. In Siem Reap? It seems that he wants to go Siem Reap. But I am not sure. Wait until Khieu Samphan writes to me and is clear. Since he has not written yet, today I cannot inform our compatriots and the foreign and local newspapers. So, wait until he answers, then this answer will be disseminated. In fact, he wants to meet abroad, China, Korea, France, or Indonesia. I do not know. Wait until Khieu Samphan writes, then I will inform you. Thank you. [Passage omitted on remainder of audience]

Khieu Samphan Replies to Sihanouk

BK2804135394 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 28 Apr 94

["Message from His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea, to His Majesty the King;" dated 27 April—read by announcer]

[Text] To His Majesty King Norodom Sihanouk of the Kingdom of Cambodia, Royal Palace, Phnom Penh:

Your Majesty, Please allow me to express most profound thanks for your message to me dated 24 April 1994. I am happy to express support for Your Majesty's initiative through the second formula of convening a roundtable at an appropriate time.

In the current situation, in which insecurity reigns throughout Cambodia, only a neutral place can provide conditions for the roundtable meeting to proceed in an atmosphere of cordiality, national reconciliation, and equality for all Cambodian sides taking part under the lofty chairmanship of Your Majesty the King.

Please excuse any improprieties.

[Signed] Khieu Samphan, Party of Democratic Kampuchea chairman

[Dated] 27 April 1994

Sihanouk Urges KR To Respond on Peace Talks

BK2804131694 Hong Kong AFP in English 1204 GMT 28 Apr 94

[By Kevin Barringtion]

[Text] Phnom Penh, April 28 (AFP)—King Norodom Sihanouk called on the nominal leader of the Khmer Rouge [KR] on Thursday to confirm whether he would attend peace talks in the capital, as the guerrillas kept up military pressure in northwestern Cambodia.

In a letter to Khieu Samphan, released by the Royal Palace, the king said that because the May 2 date for the five-day "Round Table of Peace and National Reconciliation" was approaching he would like to know whether he and his Khmer Rouge delegation would attend.

Khieu Samphan had earlier expressed his support for the king's proposal to host the talks but then said he was worried about his security in Phnom Penh.

The king, however, told Khieu Samphan the government needed a response in order to have sufficient time to arrange his reception and assure his security while travelling from the airport into the city.

A palace official said the king was "very upset" that there had been no response from the Khmer Rouge.

Co-premier Prince Norodom Ranariddh, however, said he did not have much optimism for the outcome of the talks.

The prince told the diplomatic corps late Wednesday that if the "Round Table" failed the government would resurrect plans to have parliament formally outlaw the Khmer Rouge, a significant move that would signal the end of the government's policy of "keeping the door open" to talks with the guerrillas.

Meanwhile, Khmer Rouge guerrillas were reported to be attacking government troop positions near the border town of Poipet for the third consecutive day and, further south, were pushing government troops back along National Route 10 towards Battambang and away from the guerrilla's recently recaptured headquarters at Pailin.

"The situation around Poipet and on Route 10 is very serious," a government general in the capital said.

A government officer, reached by telephone in Battambang, told AFP that the Khmer Rouge overran Treng and that government soldiers withdrew to 10 kilometers (six miles) away.

Aid officials said thousands of people fled the area along with retreating soldiers.

Treng was the government's original frontline position before the armed forces launched their offensive and pushed forward some 40 kilometers (30 miles) to capture the resource-rich Pailin region last month. The Khmer Rouge recaptured it last week.

The officer, however, said there was no way the guerrillas could advance any further towards Battambang.

Another government officer said General Pol Saroeun, the commander of the forces that attacked Pailin, would be replaced.

The officer, explaining the battlefield setbacks, said the troops were disillusioned with corrupt leaders and that the rank-and-file felt little incentive to risk their lives.

In Banteay Meanchey province to the north, General Hun Sothera of the government's 12th Division said the Khmer Rouge were attacking his positions several kilometers (miles) east of the normally bustling border town of Poipet.

"The guerrillas were attacking in waves of 150 backed by artillery," he said.

A Thai military source in the Thai town of Aranyaprathet, which is opposite Poipet, told reporters that the government appeared to be holding its ground and gaining the upper hand.

The general said that most civilians had already fled Poipet town and those remaining were ready to leave at any moment.

Government police said Khmer Rouge guerrillas killed 30 civilians when they attacked two pick-up trucks full of people trying to flee the fighting.

The Khmer Rouge raked the trucks with automatic weapon fire and fired rocket-propelled grenades as they were driving along National Route 5 away from Poipet.

Government troops monitoring Khmer Rouge radio in nearby Thmar Pouk said one-armed Khmer Rouge General Prum Su ordered his troops to capture the town.

"If they failed he said he would cut off his other arm," a government soldier said.

'Heavy Fighting' in Treng; '25,000' Flee

BK2904110494 Hong Kong AFP in English 0726 GMT 29 Apr 94

[Text] Phnom Penh, April 29 (AFP)—About 25,000 villagers have fled heavy fighting between government troops and the Khmer Rouge along National Route 10 in northwest Cambodia, aid officials said Friday.

The residents of villages along the road joining the guerrillas' Pailin headquarters to Cambodia's second city of Battambang, fled along with retreating government soldiers as Khmer Rouge rebels advanced.

The rebels backed-up by three tanks, overran a strategic government military base at Treng, around 40 kilometers (25 miles) west of Battambang early Thursday, a humanitarian relief official said.

It was the first time since 1989 that civilians in the area have been displaced on such a large scale by fighting, the official said.

A government official said government troops destroyed a Khmer Rouge tank, before retreating 10 kilometers (six miles) to Sdao. Khmer Rouge radio, however, said Friday that the guerrillas had seized a government tank.

The government troops then regrouped and counter-attacked, forcing the guerrillas back out of Treng late Thursday, the official said, adding: "But the situation is still quite serious there."

A Police officer told AFP by phone from Battambang that the government troops were back in Treng, but were facing hit and run attacks from the Khmer Rouge.

A curfew from 8 PM to 5 AM has been imposed in Battambang city for fear of guerrilla sabotage, the officer said.

Treng was the government forces' frontline position before they launched their offensive on Pailin, advancing some 40 kilometers (25 miles) and capturing the Khmer Rouge's resource-rich "capital" on March 19.

Government commanders vowed to hold Pailin "forever" but lost the town to a guerrilla counter-attack on April 19.

Explaining the battlefield set-backs, one government officer said the rank and file troops were demoralised and disillusioned with corrupt leaders and felt they had little incentive to risk their lives.

The soldiers said they were promised a share of the spoils from capturing the gem and timber rich Pailin region which bankrolled the guerrilla organisation, he said.

In the end, however, most foot soldiers got nothing, with some even complaining that they did not receive their meagre salaries, while certain superiors laid claim to all valuables, he said.

Further north in Banteay Meanchey Province, the government troops were holding their ground near the normally bustling border town of Poipet, a government official said.

Heavy fighting has taken place around Poipet over the past three days as Khmer Rouge guerrillas tried to capture the town, which lies on the Thai-Cambodian border.

"But we still hold Poipet. We are still there," the government official said.

Khmer Rouge radio said six government soldiers were killed and 10 wounded, when guerrillas attacked and seized a former royalist stronghold at Rumchang and three nearby villages, in the Ampil district of Banteay Meanchey Province Thursday.

The Khmer Rouge's clandestine radio added that the guerrillas had destroyed two munitions depots.

An official from the Ministry of Defence, however, admitted the guerrillas had attacked Rumchang and the nearby villages, but dismissed their claim to have captured it.

"The Khmer Rouge have already withdrawn," he said adding: "They still use the same hit and run tactics, so we did not lose Rumchang.

Kompong Chrey Town in Takeo 'Liberated' 25 Apr

BK2904110294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 Apr 94

[Text] On 25 April, our forces attacked a company position of the communist Vietnamese puppets and totally liberated Kompong Chrey township in Kirivong District of Takeo Province. We killed three enemy soldiers, including a major, and wounded a first lieutenant; destroyed two military trucks and two military motorcycles; and seized five AK rifles, a drum-magazined machine gun, a pistol, and a quantity of ammunition and war materiel.

Reshuffled Assembly Members Listed

BK2904005294 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 27 Apr 94 pp 1, 3

[Text] For the plenary session of the National Assembly on 27 April, the election of new representatives remains the most important of the four items on the agenda. Nineteen representatives, whose actions were incompatible with their role, have resigned and the two parties—FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Cambodian People's Party [CPP]—have proposed new representatives: 13 from FUNCINPEC and six from the CPP.

Despite the agenda, some people have expressed concern that this issue could raise problems during the examination of the validity of the representatives. It has not yet been definitively agreed how this will be done. There is, however, a hint that the names of the representatives will be read and then adopted. Some people are not satisfied with this method, saying that this is not truly democratic. They want to discuss each new representative. It seems that some new representatives would cause problems. Let us wait, however, and see when the meeting takes place.

Following is the list of names of the outgoing and incoming representatives:

Outgoing representatives:

FUNCINPEC

1. Duong Khem (Phnom Penh constituency), currently governor of Banteay Meanchey Province;
2. Tep Nunnari (Takeo constituency), currently governor of Prey Veng Province;
3. Meas Sarin (Banteay Meanchey constituency), currently governor of Preah Vihear Province;
4. Srei Mondol (Svay Rieng constituency), currently first deputy governor of Svay Rieng Province;
5. Hem Bun-heng (Siem Reap constituency), currently second deputy governor of Siem Reap Province;
6. Ven Sokhoy (Kratie constituency), first deputy governor of Kratie Province;
7. Serei Kosal (Battambang constituency), first deputy governor of Battambang Province;
8. Hing Sarin (Kandal constituency), second deputy governor of Sihanoukville;
9. Eng Roland (Kampot constituency), currently ambassador;
10. Chhim Siekleng (Kompong Cham constituency), currently mayor of Phnom Penh;
11. Prince Sisowath Sirirat (Kompong Speu constituency), currently ambassador;
12. Khin Yean (Prey Veng constituency)
13. Yim Savi (Pursat constituency)

CPP

1. Ke Kimyan (Banteay Meanchey constituency), currently chief of general staff of the Khmer Royal Armed Forces;
2. Thao Pengleat (Phnom Penh constituency), currently governor of the National Bank;

3. Rung Phlamkesan (Koh Kong constituency), governor of Koh Kong Province;
4. Min Sean (Prey Veng constituency);
5. Im Sitthi (Kompong Cham constituency);
6. Chheang Vun (Battambang constituency), to be appointed ambassador.

Incoming people's representatives:

FUNCINPEC

1. Srei Prakchantha
2. Koy Mayara
3. Sut Pengkun
4. Un Visa-um
5. Tun Chum
6. Mrs. Kong Sophat
7. Chea Savoeun
8. Hong Sun-huot
9. Duk Uttamo
10. Chum Hean
11. Mam Sami
12. Nguon Non
13. Um Bunthan CPP

1. Maonh Kosal
2. Hu Sri
3. Ai Sinsunthai
4. Sin Song
5. Prince Kromkhun Chakkrapong
6. Muy Chat

Demonstrators Protest FUNCINPEC Corruption

[Editorial Report] The 4 March REAKSMEI KAMPUCHEA carried a report on pages 1, 11 citing the 2 March edition of CAMBODIA DAILY concerning an anti-FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] rally held "outside Phnom Penh" on 1 March. Some 200 "former" FUNCINPEC supporters claimed that party officials had promised to find them jobs during the election campaign, but now those officials are demanding bribes for jobs. A demonstrator from Kompong Cham—who had worked for FUNCINPEC during the campaign—said "Now that FUNCINPEC has won the election, they can't find me a job. They even told me it would cost me $400 to get a police lieutenant's position." Demonstrators who requested anonymity said that FUNCINPEC police "were corrupt from top to bottom" with the amount of the bribe based on the police rank sought.

The CAMBODIA DAILY notes that Co-Minister of the Interior Yu Hokkri's response was that "those demonstrators were not among those who had been promised vacant positions." However, Yu Hokkri did admit that the demonstrators' claims of corruption could be valid, saying that "we cannot promise that all of our officials are good." The article noted that during and after the campaign, FINCINPEC personnel had promised voters jobs as an inducement not to support the party's rival, the Cambodian People's Party, which these officials had labelled as totally corrupt.

Indonesia

SRV President Concludes Visit 29 Apr

BK2904115294 Jakarta ANTARA in English 0815 GMT 29 Apr 94

[Text] Denpasar, Apr. 29 (ANTARA)—Vietnamese President Le Duc Anh returned to Hanoi Friday afternoon concluding his four-day visit to Indonesia after a brief holiday in Bali.

The Vietnamese president and his wife Mrs. Le Duc Anh arrived in Bali Wednesday, accompanied by the minister of tourism, post, and telecommunications, Joop Ave.

During his stay in Bali, President Anh attended a dinner and local art performance hosted by the governor of Bali, Ida Bagus Oka. He also visited local craftsman Ida Bagus Marka's studio in Kemenuh Village and attended a barong dance performance in Batubulan Village, Gianyar Regency some 20 kilometers east of Denpasar.

Trade Minister Briefs Suharto on Uruguay Round

BK2904063894 Jakarta ANTARA in English 1106 GMT 28 Apr 94

[Text] Jakarta, April 28 (ANEX/ANTARA)- Indonesian businessmen engaging in textile and textile products needed modernization in the post-multifibre agreement (MFA) era marked with tougher competition in the international market, said Minister of Trade Sastro Budiharjo quoting President Suharto as saying here on Thursday.

He briefed the head of state on the signing of the Uruguay Round in Marrakesh, Morroco recently.

Budiharjo told journalists that the abolishment of MFA resulted in the wiping out of quota system which arranges categories of textile and textile products of certain countries.

He added that the phasing out of quota systems until 2005 will in turn lead to stronger competition made by China, Pakistan, India, and Bangladesh.

"The government gives full support to Indonesian exporters of textile and garment," he said.

The elimination of MFA in stages for the last ten years has reduced quotas of certain categories of textile and textile products while increasing other categories of commodities, he noted.

Reporting to the President on importing rice from certain countries, he said that Indonesia was forced to do so as the Uruguay Round required all countries to open their markets.

However, he added Indonesia has a concession preventing excessive imported rice which may pose threats to local farmers' livelihood.

Indonesia, therefore, may import rice in case of lower prices of imported rice compared to those offered by domestic market, he said.

Indonesia, which is expected to import 70,000 tons of rice annually, will provide 90 percent of duty to the lower prices of imported rice.

The government will keep on protecting local businessmen while fulfilling the requirement of the Uruguay Round, he assured journalists raising questions on the possibility of importing of rice from a certain country.

Alatas on SRV Refugees Repatriation From Galang

BK2904105694 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 29 Apr 94

[Text] Foreign Minister Ali Alatas says the decision to repatriate Vietnamese refugees from Galang Island is not Indonesia's wish but is based on international consensus. Speaking at the end of a coordinated meeting for politics and security affairs in Jakarta yesterday, Alatas said Indonesia is only implementing several resolutions adopted at international forums. He also cited a comprehensive plan by the International Conference on Indochinese Refugees, ICIR, on the repatriation of Vietnamese refugees to their country of origin.

Only about 8,000 Vietnamese refugees currently held at Galang Island want to seek political asylum in a third country, while the majority who left for economic reasons must return to Vietnam. Alatas also said that the ICIR places special emphasis on screening Vietnamese refugees who really want to be resettled in a third country.

Fleet Commander Inaugrates Two Naval Units

BK2904010094 Jakarta ANTARA in English 1059 GMT 28 Apr 94

[Text] Jakarta, Apr 28 (OANA/ANTARA)—Indonesia's Western Regional Fleet Commander-in-Chief Rear Admiral Aried Kushariadi inaugurated the new amphibious squad and exercise fleet command here Thursday.

The two new units will strengthen the naval operation in the western region of the archipelago and will consolidate the so-called "integrated fleet system" of the Indonesian Navy.

The Western Fleet commander-in-chief also swore in the commanders of the new units—Colonel Sumarjo appointed as the amphibious ships squad commander and Colonel Fakhmi Jamaris as exercise fleet commander.

The Western Regional Fleet was established in 1985, while the Eastern Regional Fleet has been in existence since the country's independence.

According to Kushariadi, two more squads will be set up—the escort ships squad and the minesweepers squad—following the arrival of 39 warships purchased by the Indonesian Navy from Germany.

Of the 39 warships, nine minesweepers, five corvettes, and three amphibious LSTs (landing ship tanks), have already arrived here.

* Chief of Staff on ABRI's Future Role

94SE0106A Jakarta EDITOR in Indonesian 24 Mar 94 p 12

[Text] What is ABRI's [Armed Forces of the Republic of Indonesia] social-political role in the next five years? "ABRI's social-political role cannot be separated from a discussion of ABRI's dual function as a moral and political concept, given the background of its identity and the way it came into being," said Armed Forces Chief of Staff General (Army) Feisal Tanjung in a speech to Kostrad [Army Strategic Reserves Command] officers at Kostrad's 33d anniversary on Saturday (5 March).

The Armed Forces Chief of Staff said that as people's social life has grown more critical and has developed further, ABRI has to update its role as pioneer, stabilizer, and dynamizer in national life. "We carry out this role actively by making decisions about state and government problems, by developing Pancasila [Five Principles of the Nation] democratic life, the constitution, and the rule of law," said Feisal Tanjung.

To understand ABRI's social-political role in the widest sense, the Armed Forces Chief of Staff explained that what is needed is the ability to think within the general macrosystem which is integrated into the paradigm of Pancasila and the 1945 Constitution. We must also think within the special microsystem of our ideological, political, economic, sociocultural, and defense-security life. "In order to anticipate problems, ABRI's social-political role must in fact be increased," said Armed Forces Chief of Staff Feisal Tanjung.

That is why every ABRI soldier is always aware that he plays both a defense and security role and a social-political role. Members of ABRI must lend support to creating conducive social-political conditions. The approach used must persuasively put forth arguments acceptable to all sides. "Avoid giving the impression that ABRI is showing off its power," the Armed Forces Chief of Staff asserted.

Armed Forces Chief of Staff Feisal Tanjung said that in the next five years ABRI's social-political role will take the form of a force of thought rather than a purely physical form. This means that ABRI personnel will have less of a presence in the executive and judicial fields. "Only strategic positions will still be occupied by ABRI personnel. However, ABRI will still be present in the legislative bodies, both at the federal level and in the provinces," said the Armed Forces Chief of Staff.

Armed Forces Chief of Staff Feisal Tanjung's speech reemphasized that ABRI will continue to push for a structured national and state life. "ABRI will continue to try to put the implementation of Pancasila democracy on a firm basis in order to create high quality, dynamic, creative, and responsible political superstructures and infrastructures," said Armed Forces Chief of Staff Feisal Tanjung.

* Influence of Islamic Boarding Schools Noted

94SE0105A Jakarta EDITOR in Indonesian 24 Mar 94 p 32

[Article by Suryansyah: "Not Looking for Influence"]

[Text] Islamic boarding schools have been put to the test for a long time. The strength of these "institutions" lies not only in the area of education. Their influence has spread into the political arena as well. Islamic boarding schools have actually been influential since before the revolution. In fact, when there were kingdoms, Muslim scholars and Islamic boarding schools formed a clique which controlled royal actions and policies. For example, King Amangkurat I once killed about 6,000 Muslim scholars in front of his people because they opposed his policies.

During the Old Order, an Islamic-oriented organization was part of almost every political party. For example, the Jam'iyyah Muslimin (JAMUS) was part of the PNI [Indonesian National Party].

These tendencies went quite far. The Old Order embraced the Islamic masses in the Islamic boarding schools. Since that time all Indonesian political forces have been racing, as it were, to gain legitimacy through the Islamic masses. In other words, the Islamic boarding schools, the basis of Islamic strength, have been leading sources of support for votes and influence.

Is that true? The following is EDITOR's Usman Sosiawan's interview with Lt. Gen. (Army) R. Hartono, ABRI's social-political chief of staff. Hartono, former commander of Military District Command V/Brawijaya and governor of the National Defense Institute, is well known as a Madurese who is close to the Islamic boarding schools. We recorded some of his comments when we stopped him as he left a program on provisioning held at Makostrad [Kostrad Command Headquarters] on Friday 4 March.

[Sosiawan] What is your response to the Army chief of staff's visit to several Islamic boarding schools?

[Hartono] It's normal. The Army chief of staff is also the territorial developer. It's only natural for him to go there, to approach them, and to introduce himself.

[Sosiawan] There isn't any political intent?

[Hartono] No. It's one of the principles behind ABRI's territorial development.

[Sosiawan] Is it true that the Islamic boarding schools are considered of great potential importance for the support of political power?

[Hartono] Wait a minute. If you mean Islamic boarding schools in the sense of the word Islamic and if we start from the meanings of faith and devotion, they certainly are going to talk about state and national problems. In that case, what do you call it, political or what? It's political too. But we must remember that its involvement in politics is in fact determined by individual qualities, including the quality of those institutions themselves.

[Sosiawan] How far does their involvement normally go?

[Hartono] Well, they have education from, let's say as we generally understand it, from kindergarten to college. Clearly we're not speaking to their involvement. But should we provide them with an understanding of politics, which I think has to be given to them in the Islamic boarding schools? I say we have to, again referring to the faith and devotion that I mentioned before. That means, you know, that they must think about national and state problems.

[Sosiawan] There has been a tendency for some figures to reach out for sympathy from the Islamic boarding schools. Your comments?

[Hartono] Don't put it that way.

[Sosiawan] As an example, a number of ministers and even the president attended the RMI [Robithotul Ma'ahidil Islamiyah] meeting recently. What does that mean?

[Hartono] Don't make any connection between that and looking for influence or sympathy. It's not the case. It's like the Army chief of staff's recent visit to the provinces. As Army chief of staff, let's say it's because he's relatively new, he certainly has to visit and become acquainted with the provinces, including the territorial development units within them.

* Reportage on State Trading Bank Crisis

* Demand for Government Guarantees

94SE0100A Jakarta BISNIS INDONESIA in Indonesian 22 Mar 94 p 1

[Text] Jakarta (BISNIS)—Bankers and securities companies hope the government will give guarantees to investors holding BAPINDO [State Trading Bank] bonds, because investors are disturbed by the conditions they see at the BUMN [state-owned enterprise] bank, which has been hit by a crisis. Several brokers and bankers told BISNIS yesterday that BAPINDO, which went public through the issuance of about 800 billion rupiah in bonds, must give guarantees to investors that their investments are safe.

"Holders of BAPINDO bonds are now generally disturbed," said a broker who did not want his name mentioned. In fact, he added, some of the bonds that were issued have fallen due, but many that have not yet fallen due are in the hands of investors.

"To reassure investors, there should be a statement from the government," he said.

Meanwhile, Mas Abdurachim Husein, chairman of the Association of Stock Brokers Representatives (AWP2E), said that it is difficult to sell BAPINDO bonds now. "To reassure investors, I also hope that there will be a statement from the government that BAPINDO bondholders are safe," he urged. BAPINDO has issued bonds seven times, the most recent in January of last year at a value of 300 billion rupiah. Those bonds were issued in series J and at both fixed and floating interest rates.

The fixed interest rate was 17.25 percent per annum for the first through the fourth interest coupons. Floating interest rates were in effect for the second, third, fourth, and fifth years and applied to the fifth through the 20th coupons, based on average interest rates for three-month time deposits at the State Savings Bank.

BISNIS sources at BUMN's in the sphere of the Department of Finance said that the arrest of three BAPINDO directors does not mean that they are suspects. "It is possible that two of them are suspects and that one is only a witness," he said.

* Criticism of Central Bank

94SE0100A Jakarta BISNIS INDONESIA in Indonesian 22 Mar 94 p 16

[Text] A DPR [Parliament] member has asked why Bank Indonesia, which under Law No. 7/1992 on banking is the only institution that supervises and oversees banking, is silent and has not given any explanation to the people about the crisis at BAPINDO.

B.P. Messakh, member of the DPR FKP [Functional Group Faction], feels that Bank Indonesia, as the only institution that supervises and oversees banking, should give an explanation to the public about the problem loans at BAPINDO.

"Why has Bank Indonesia never given any information about the BAPINDO case, despite the fact that under Law No. 7/1992, Bank Indonesia is the only institution that supervises and oversees banking? The minister of finance himself has not directly given any information, either," Messakh said yesterday at the DPR Building. Messakh also asked why Bank Indonesia has not announced the results of its supervision and oversight of BAPINDO, although the BUMN bank has been in the news for months.

"Should not Bank Indonesia have announced whatever its action has been against BAPINDO? If there is a bank that is not healthy, Bank Indonesia should know more about it than anyone else," the legislator said.

A similar thought was expressed by Sri-Bintang Pamungkas, member of the DPR's APBN [National Budget] Commission from the FPP [Development Unity Faction], who said that because Bank Indonesia is the institution that oversees the activities of BUMN banks, it naturally knew of the BAPINDO loan case before anyone else.

"Bank Indonesia should be the one to give explanation to the public. It is simply silent, however, although it certainly knew of the case first," Bintang asserted. The vocal DPR member feels that Bank Indonesia must be examined in connection with the BAPINDO case. "Bank Indonesia must be examined," he declared.

Bintang's basis for his statement was that because Bank Indonesia routinely oversees banking activity, including that of BUMN banks, it must give account of its oversight of BAPINDO. Bintang feels that Bank Indonesia people can be bribed, however. Thus, unsatisfactory conditions at a bank are made satisfactory.

Messakh also said that Bank Indonesia is the one that should know whether a bank is healthy and should also know what action is to be taken against such a bank, including BAPINDO.

Bintang thinks the DPR APBN Commission's request for cancellation of its meeting with the Bank Indonesia governor was "engineered," thus closing off any information from Bank Indonesia. The basis for the cancellation was that the questions the APBN Commission would have asked the governor would be the same as those asked by Commission VII.

"Oral questions from APBN Commission members would certainly differ from those of Commission VII, because their areas are different," Bintang asserted. Messakh said Bank Indonesia appears to have no role in the current BAPINDO case. "It is as though Bank Indonesia has no part whatever in the BAPINDO case," he said.

The former member of Commission VII, which handles finance and banking, also asked whether the Attorney General's Office is pursuing the person who leaked confidential information about Eddy Tansil's loan at BAPINDO. He asked why the person who leaked confidential loan information about Eddy Tansil is not being pursued, because from the criminal aspect that person violated the Banking Law, particularly with regard to bank secrecy.

"I agree that Eddy Tansil should be pursued, but there is clearly a criminal element in the leaking of bank secrets. Why has it been hushed up?"

The DPR member asked whether the Attorney General's Office has tried to trace the one who leaked the confidential information about Eddy Tansil's loan. A similar question was raised by Aberson M. Sihaloho, deputy chairman of the DPR APBN Commission. "The person who leaked the bank secrets should be tracked down," he said.

Foreign Bankers

Meanwhile, people in the DPR also expressed the opinion that the use of foreign bankers to resolve the BAPINDO crisis is justified only to the extent that such use does not violate Law No. 7/1992 on banking, the provisions of which have yet to be spelled out in government regulations.

Abdullah Zainie, deputy chairman of the FKP, said that Law No. 7/1992 provides for the possible use of foreign personnel by domestic banks.

"As long as such foreign personnel are used only as consultants or advisers, it is all right to assign them to help BAPINDO managers or directors, but they cannot be used for executive jobs at the bank," Zainie said.

"I agree with the government's contracting with foreign bankers to improve BAPINDO management, as long as such contracts do not violate the Banking Law," Commission V member Bomer Pasaribu said yesterday at the DPR Building.

Bintang expressed the opinion that there will be no problem if the government wishes to establish BAPINDO management cooperation with a foreign bank as long as management is not delegated. "It would not be right to delegate BAPINDO management to a foreign bank!" Bintang declared.

Meanwhile, Messakh, a member of DPR Commission V, said that if the improvement of BAPINDO management is to involve foreign personnel or bankers, it must be learned which areas are permitted by Law No. 7/1992 on banking.

"In the clarification section of Law No. 7/1992, there are limitations and conditions on the employment of foreign personnel," said the former member of the special committee on the banking bill.

The conditions are to be spelled out in government regulations, Messakh said. "The conditions that are to be spelled out are specified in Law No. 7/1992," he added. Messakh invited the government to cooperate with foreign personnel to improve BAPINDO management, as long as such cooperation does not violate the Banking Law and is not contradictory to it.

A similar view was presented by Novyan Kaman, secretary of the FKP, who said that regulations should be drawn up before recruiting foreign personnel to improve BAPINDO management.

"If the government wants to improve BAPINDO management by contracting with foreign personnel, it will not be done in the near future, because the government will naturally wait for the regulations to be drawn up first."

They said these things as reaction to the plans of the minister of finance to recruit foreign bankers to improve BAPINDO management. Minister of Finance Mar'ie Muhammad is expected to explain the plan in a working meeting with the APBN Commission today at the DPR Building.

Bintang said that besides asking about the finance minister's plan for BAPINDO management cooperation with foreign bankers, he will also ask about other problem loan cases, which involve about 50 big customers.

"If the resolution of just one problem loan case takes at least two months, then about 100 months, or eight years, will be needed to resolve 50 cases," he said. He feels that not all the capital of a BUMN bank needs to be owned by the government. As long as more than half the capital is owned by the government, it can be called a BUMN bank.

Philippines

PRC Legislators Deny Arms Buildup in Spratlys

BK2804142794 Quezon City MALAYA in English 26 Apr 94 p 2

[By Shalom Mapagu and Ellen Tordesillas]

[Text] Legislators from the People's Republic of China yesterday told their Filipino counterparts that there is no reason to be alarmed over reports that the People's Republic of China has increased its military budget by 20 percent.

This, they said, did not mean there was an arms buildup in the disputed Spratly Islands or anywhere else in the region. Rather, the increase was dictated by inflation.

"The cost of goods are rising in China," said Zhu Liang, chairman of the foreign affairs and defense committees of the PRC's National People's Congress.

The Spratlys are being claimed in part or wholly by the Philippines, PRC, Taiwan, Malaysia, Brunei, and Vietnam. The Philippines and Vietnam have repeatedly expressed concern over reports that China has been increasing its military presence in this disputed territory.

"Reports that we are expanding our military capabilities have been reaching the West. We think this is nothing but rumor," said Zhu Liang.

The Chinese legislator said disputes between PRC and other countries "should be settled through peaceful negotiations."

Zhu Liang emphasized that the Mainland China opposes military aggression. "Not now, not even in the future," he said.

Liang was accompanied during the meeting with Filipino legislators by six of his colleagues in the National People's Congress.

He met with the House Committee on Foreign Affairs chaired by Rep. Jaime Lopez (Laban [Lakas ng Bayan—People's Power], Manila).

Lopez hoped the Philippines' partnership and cooperation with China "will succeed very soon." He expressed confidence that China's participation in the General Agreement on Tariffs and Trade would greatly enhance trade potentials in the Asia-Pacific Region.

In the Senate, Sen. Blas Ople yesterday said the "wound" inflic??e recent visit here of .se President Li Teng-hui on Philippine-China relations has apparently been healed as manifested by the current visit of the Chinese parliamentarians.

Ople, who accompanied the visiting parliamentarians to Malacanang yesterday, said, the visit "means they have given time for these irritations to heal."

The parliamentarians were scheduled to come February but canceled it when President Ramos received Li who passed by Subic Bay last 9 February.

"This means that Philippine-China relations can withstand a few challenges from time to time," Ople said.

Ramos Supports Death Penalty for Drug Dealers

BK2904004694 Quezon City MALAYA in English 26 Apr 94 p 2

[Text] The Philippine Embassy in Kuala Lumpur is asking the government to formally ask Malaysia to grant executive clemency for humanitarian reasons to three Filipinos who were meted death sentences for drug trafficking in Sabah two weeks ago.

Officials at the Department of Foreign Affairs yesterday said the recommendation sent by Ambassador to Malaysia Alberto Encomienda will be submitted to President Ramos who will decide whether formal representations will be made regarding the issue.

The plea hangs in the balance, this early though, as Ramos yesterday issued a statement that drug traffickers should not expect any pardon from him.

At the fifth ASEAN workshop for nongovernment organizations for the prevention of drug and substance abuse held in Malacanang [presidential office], Ramos said, "Let me clearly indicate that I will interpose no objection if any person, so convicted, is sent to the electric chair or gas chamber."

Last 14 April, the Malaysian Supreme Court ordered the hanging of Japlin Jimlok, Benny Saman, and Gan Muslimin, all based in Kota Kinabalu, after they were convicted of drug trafficking by the High Courts in Sabah. The three Filipinos are now awaiting their execution at the Kapaya State Prison in Sabah.

On the same day, nine other Filipinos, including a woman, had their death sentences reduced to life imprisonment for the same offense.

Meanwhile, Foreign Secretary Roberto Romulo said Ramos has ordered Philippine officials in Kuala Lumpur to look into reports that a number of imprisoned Filipinos in Sandakan, Sabah were tortured by police and prison authorities.

Last 21 April, 11 Filipinos who were deported and imprisoned in Sandakan complained that other Filipinos currently serving jail terms in Sabah are also subjected to various forms of torture like having their heads banged on walls and dunked in toilet bowls, and their skin carved off the soles of their feet.

Columnist Examines Local Communist Movement

BK2804134394 Manila THE MANILA CHRONICLE in English 26 Apr 94 p 4

[From the "On the Level" column by Alex Magno: "Descent to Madness"]

[Text] The far Left has managed to remain in the news by virtue, principally, of the scandalousness that has characterized the factional fighting afflicting its tattered ranks.

That scandalousness has gained in shrillness lately. As a consequence, the far Left managed to remain in the news—helped along by the sheer uneventfulness of newfound predictability in the political mainstream.

A former NPA [New People's Army] commander, identified with the "rejectionist" camp was murdered in Antipolo a few months ago. The assailants never bothered to claim responsibility. Pro-Sison partisans are believed culpable by the victim's colleagues.

Early this month, Leopoldo Mabilangan was assassinated in front of a church. After four discomfiting days of hesitation, the Melito Glor Command—led by a fanatical follower of self-exiled Jose Ma. Sison [Joma]—took responsibility for the crime.

The Utrecht-based troika of Jose Ma. Sison, Luis Jalandoni, and Antonio Zumel first attempted to deny their faction's involvement. When the Southern Tagalog NPA commander, Gregorio "Ka [Comrade] Roger" Rosal, admitted to the crime, the Utrecht troika quickly reversed itself and supported their last guerrilla loyalist to the hilt.

Encouraged by the support from his self-exiled bosses, Rosal announced he would proceed with his "people's court" proceedings against senior leftist personalities associated with the anti-Sison factions. Sison had called for the trial of his rivals last year.

At that point, the international "debate" within the CPP [Communist Party of the Philippines] descended into new depths of madness.

Former CPP personalities now operating in the open dared Sison and his loyal serf Rosal to go ahead and shoot them. The scene was both tragic and comic. Those who once observed with awe the seriousness and heroism with which the Left activists went about their self-styled political mission could not believe what they were seeing and hearing.

From the outside, it would seem that the contending factions in the CPP have fielded death squads against each other. What is left of the Left appears ready to go down in an orgy of mutual liquidation.

Carlos Forte, head of the CPP Manila-Rizal Regional Committee, warned Sison that, should the "people's court" venture proceed, the self-exiled leader's own safety would only be "a phone call away." The counter-threat was hardly veiled.

The counter-threat threw Sison into one of his increasingly frequent hysterical moods. The man who ordered, from the relative safety of distant self-exile, that "people's courts" be set up against his erstwhile comrades was last heard throwing a tantrum over the possibility that he may not be so safe after all.

By irresponsibly leveling the wildest charges against his erstwhile comrades, Sison burned the bridges of reconciliation among the contending factions of a confused movement. By threatening his erstwhile comrades with liquidation (after some gesture of a "trial" by a kangaroo court), Sison made them vulnerable to violent tricks played by third parties.

Confronted now by the possibility that his erstwhile comrades could balance the terror, Sison flew completely off the handle, conjuring a "plot" participated in jointly by his own comrades and by the military.

Loosening the rein on his deep-seated paranoia, Sison declares that a hit squad was now in Europe to get him. The squad, he says, is led by a certain "Narding." It is, he says, funded by the Intelligence Service of the Armed Forces of the Philippines to the tune of P500,000 [Philippine pesos].

The pathetic exile is obviously picking his facts from thin air. His paranoia is laced with a generous dose of megalomania: he thinks he is important enough for so many people to bother having him killed.

If Sison were not so far detached as he is, he might have noticed his own irrelevance. Were it not for the comic relief that he brings to our front pages, he would have been ignored. He has single-handedly degraded the political debate in the Left to the level of the burlesque, laden with cheap intrigue and bizarre accusation. Having squandered the credibility of the movement he pretends to lead, Sison now widens the possibility for fraternal bloodshed.

The man is beyond help. The real wonder is the handful of fanatical loyalists who continue to take him seriously. It is not the many goblins in Sison's mind that is the more substantial question. There is no political solution to that problem.

The real challenge confronting those in the Left still in possession of their sanity is how to retrieve what remains of the movement from the abyss of madness into which it has fallen. There is nothing to gain from joining Joma in the game of mutually assured destruction. There is nothing to gain from this silly exchange of threat and counter-threat.

There is much to save in the political Left: its example of selflessness, its faith in the possibility of a more humane future, its exemplary patriotism. That could be saved by the recovery of sobriety, reasonableness, and sympathy for the best in others—virtues that used to be in abundance in this community of militants and activists.

If the Left's retrieval of sanity is not accomplished soon, this entire community will be condemned not to the dustbin, but to the asylum of history.

'People's Court' Indict Breakaway Leaders

BK2904045694 Quezon City MALAYA in English 26 Apr 94 pp 1, 2

[Text] Communists in the breakaway factions who are opposed to Communist Party of the Philippines (CPP) founder Jose Maria Sison have been charged with kidnapping and holdups, embezzlement, corruption of comrades and gross misrepresentation and usurpation of authority. They will be tried in a "people's court," the party said yesterday.

In a statement, CPP spokesman Gregorio "Comrade Roger" Rosal, also said the "court" may resort to "extraordinary measures" to get the side of Arturo Tabara, Romulo Kintanar, Ricardo Reyes and Felimon Lagman. He did not say what those measures would be.

It was hinted, however, that the former rebel leaders facing charges might themselves be made to face the "people's court."

"Alang-alang sa rebolusyonaryong katarungan, hindi tututulan ng Partido kung ang hukumang bayan ay gagawa ng mga ekstraordinaryong hakbang upang makuha ang panig ng mga akusado—basta't may sapat na mga pananggalang laban sa peligro ng pagkakanulo sa kaaway [For the sake of the truth in the revolutionary movement, the Party will not object if the 'people's court' will take extraordinary measures to get the side of the accused—as long as there is sufficient basis of threat from the enemies]," Rosal said.

He also said the Party was not in a hurry to proceed with the trial. "Alam namin ang maraming malalaking gawain at maraming limitasyong hinaharap ngayon ng mga kasama sa rebolusyonaryong kilusan. Ang mahalaga ay maitala nang buong linaw ang malalaking kriminal na pananagutan nina Reyes, Tabara, Kintanar at Lagman at ilantad sila upang hindi makapanlinlang [We know that there are more important things to do at this moment and the members in the movement face some limitations. But, what is important is that it will be clearly put on record the criminal offenses of Reyes, Tabara, Kintanar and Lagman, so that they can no longer beguile any one else]," Rosal said.

Amid the most serious rift to hit the rebel movement in 20 years, the National Democratic Front (NDF) held a "reception" last Sunday at The Netherlands to celebrate the 25th anniversary of the New People's Army (NPA) and the 21st anniversary of the NDF.

A statement from the NDF leadership in Utrecht said more than 100 took part in the celebration, along with guests from Japan, Indonesia, India, Germany, Belgium, The Netherlands , the United States as well as a "big number of Filipinos residing in The Netherlands."

Despite Philippine government pronouncements that the leftist rebellion has been all but defeated, Sison declared that the Philippine revolution holds a "bright future." The ongoing "rectification movement" that involves the purging of rebels who refuse to toe the party line was deemed by Sison to be necessary in "ensuring the steady advance and victory of the revolutionary movement"

The "Democratic Bloc," the group formed by former comrades of Sison who now oppose him, recently announced that members and leaders of sectoral organizations affiliated with the NDF have joined the anti-Sison faction.

Yesterday, however, a statement from Reverend Wesley Fiore, national spokesperson for the Christians for National Liberation (CNL), said Father Felipe Patricio no longer speaks for the organization. The CNL, one of the organizations under the NDF, said the CPPs organizational problems are its own. The CNL represents members of the religious organizations in the underground movement.

Active rebel members have no business speaking for their former comrades who want to avail themselves of the amnesty program, Senator Rodolfo Biazon (Laban—Struggle) yesterday said.

He issued the statement after conducting a series of public hearings where rebel returnees complained that the objections raised by rebel leaders to Proclamation No. 347 will deprive them of their choice to lead a peaceful life.

He said the typical response of former rebels in the regions was articulated by one Manuel Raga in Tuguegarao whom he quoted as saying: "We are sick and tired of Sison, Jalandoni, Honasan and Misuari speaking for us. We have already left their movements. All we want is a peaceful life "

Proclamation 347 grants amnesty to communist and Muslim rebels who may have committed crimes against public order in pursuit of their political beliefs.

Biazon, who heads the committee, has conducted hearings in Tuguegarao, Cagayan; Naga City; Catbalogan, Samar; Iloilo City; Iligan City and Davao City.

Thailand

Enforcement of UN 1982 'Law of the Sea' Urged

BK2804141994 Bangkok Voice of Free Asia in Thai 1030 GMT 27 Apr 94

["Statement issued by the Ministry of Foreign Affairs of the Kingdom of Thailand"]

[Text] The Ministry of Foreign Affairs has observed that many countries have promulgated laws and regulations, which, de facto or de jure, have led to the seizure of foreign fishing trawlers or the imprisonment of foreign fishermen on charges of violating the laws and regulations on fishing in their exclusive economic zones.

The Ministry of Foreign Affairs therefore wishes to give general notification of the Thai Government's position in this regard as follows:

The seizure of fishing trawlers and the imprisonment of fishermen are blatant violations, both in letter and in spirit, of Clause 72, paragraphs two and three, of the UN Convention on the Law of the Sea of 1982. All countries concerned are obliged to faithfully abide by the convention as signatories to the legislation or as countries which have given their ratification of the convention. In particular, the said UN convention is to become effective from 16 May 1994.

Therefore, the Thai Government has to lodge a strong protest through the UN secretary general, in his capacity as the custodian of the UN Convention on the Law of the Sea of 1982, over the said seizure of trawlers and imprisonment of fishermen.

Thailand hopes that those countries will amend their laws and regulations in compliance with the obligations enshrined in the said convention, which they have already accepted.

Official Updates Cambodia Border Situation

BK2904085694 Bangkok Radio Thailand Network in Thai 0000 GMT 29 Apr 94

[Text] Lieutenant General Anuson Kritsanaserani, director of the Information Office of the Supreme Command Headquarters, told reporters at office headquarters at Sanam Suapa, Bangkok, yesterday that the situation near the Cambodian border is not peaceful due to continued fighting inside Cambodia between Cambodian Government military forces and Khmer Rouge forces. The fighting near the Thai border district of Aranyaprathet, Sakaeo Province, has resulted in a number of artillery shells falling on Thai territory and caused damage to the lives and property of Thai people living along the border. More than 30,000 Cambodians have fled across the border into Thai territory. The senior Thai military official reported that the Khmer Rouge have seized part of the area of Km 12 of the Poipet-Sisophon Road, which is a major transport route. Their actions are aimed at blocking the Cambodian Government's troop reinforcements, who seek to wipe out Khmer Rouge forces and also Phnum Malai which serves as a Khmer Rouge major stronghold. This road is also an important route for the transport of various kinds of goods from Thailand to Cambodia. With the seizure by the Khmer Rouge, the route has been cut and this will cause great difficulties for the Cambodian Government and people. The Thai people living along the border in Aranyaprathet District, Sakaeo Province are advised to be cautious regarding possible dangers caused by the fighting between the two Cambodian factions and always to follow closely and listen to warnings from Thai military authorities.

Government Repatriates Cambodian, Lao Refugees

BK2904102394 Bangkok Radio Thailand Network in English 0000 GMT 29 Apr 94

[Text] Thailand repatriated a total of 998 Cambodians and some 400 Lao refugees and displaced persons this week.

The Ministry of Foreign Affairs said the Cambodians mainly comprise children, women, and the elderly, who fled the war in Cambodia to Ta Phraya District of Prachin Buri Province. They were sheltered temporily in an area of 5 rai provided by the Thai Government. The area is about two kilometers from the Cambodian border.

Meanwhile, Secretary General of the National Security Council Khachatphai Burutphat said more than 400 Lao refugees and displaced persons were repatriated yesterday through the Thai-Lao Friendship Bridge. It is the highest number of Laos returnees repatriated from the Thai soil this year.

The Lao refugees and displaced persons are all the Hmong hilltribe people who were sheltered at the Ban Napho repatriation center in Nakhon Phanom Province.

The National Security Council plans to close the repatriation center within the end of this year.

EGAT Rejects PRC Proposal To Sell Electricity

BK2804040394 Bangkok BANGKOK POST in English 28 Apr 94 p 26

[Text] Thailand has rejected China's proposal to sell electricity that would be generated from seven large-scale hydroelectric projects to be built in southern China, opposite the Kingdom's northern region.

Senior officials of the Yunnan power utilities made the proposal to the Electricity Generating Authority of Thailand (EGAT) which rejected it out of hand because the Thai body views the undertaking as not economically viable.

EGAT's rejection could restrict the southern Chinese authorities' ambitious plan to develop hydroelectric plants along the Manwan River (Lan Xan in Thai) which offers a massive generating potential of 19,000 megawatts (MW).

Yunnan wants to establish Thailand as a major market for its electricity exports, aside from supplying the power from the proposed schemes to Canton [as published], the other economically vibrant southern area. It initially offered to supply 500 MW to EGAT.

It also aborted the effort by a group of Thai companies which had been seeking to play a key part in the investment and development of those hydroelectric schemes to meet Thailand's explosive growth in electricity demand, now growing at 10-12 percent a year.

Senior EGAT officials said their rejection was based on two reasons. First, there was sufficient indigenous power supplies in northern Thailand generated by EGAT's huge lignite-fired Mae Moh power complex and therefore, supplies from China would be redundant.

Secondly, importing and transmitting the Chinese electricity to central Thailand would be limited by prohibitive costs. The length of the transmission line involved would be some 1,000 km, they said.

As far as the importation of electricity from neighbouring countries is concerned, EGAT appears to give a higher priority on importing power from Laos and much preparation is underway in this direction.

Last June, the Thai government through EGAT had signed a memorandum of understanding with the Lao government for Vientiane to supply up to 1,500 MW of electricity to the Kingdom by the turn of the century.

Laos has recently signed a memorandum of understanding with an international consortium for it to develop a major hydroelectric project in Laos as part of the June memorandum.

The consortium will invest US$1 billion to develop the Nam Thuen T1 hydroelectric plant with a generating capacity of 600 MW to be entirely exported to Thailand under terms which have vet to be agreed upon.

Intellectual Property Memo Signed With Vietnam

BK2704120494 Bangkok Radio Thailand Network in English 0000 GMT 27 Apr 94

[Text] Thailand and Vietnam signed a memorandum of understanding on intellectual property, the first of its kind between the two developing countries in this fast-growing region of the world.

The document was signed by representatives from Thailand's Ministry of Commerce and Vietnam's Ministry of Science, Technology and Environment during the visit by Deputy Minister of Commerce Churin Laksanawisit to Vietnam during April 22 to 24, 1994.

The agreement is aimed at making Thailand a center for intellectual property registration and claims for Indochina.

Deputy Minister Churin said that Vietnam is in agreement in Thailand's proposal.

The memorandum of standing signed by the two sides provided opportunities for both countries to exchange information on laws, procedures in registration of patents, trademarks, and copyrights, registrated marks and patents, and cooperation in personnel development.

Churin said that the signing of the memorandum of understanding with Vietnam will benefit Thai business people and investors, facilitating the registration of their trademarks and protecting their intellectual property rights.

Poor Security Measures in South Hurt Investment

BK2804024694 Bangkok THE NATION in English 28 Apr 94 p A7

[Text] Prime Minister Chuan Likphai yesterday admitted that security measures in the South are inadequate.

He said violence in the region including last year's torching of more than 30 schools in the southernmost provinces and Saturday's bomb blast at Nakhon Si Thammarat's railway station, had adversely affected investment in the South.

Chuan told a gathering of Islamic religious leaders that while people in the South may have become accustomed to such incidents, those outside the region were scared by the press reports.

He said religious leaders could help solve the problem of violence by giving officials information when incidents occurred and telling people in their communities to behave themselves.

Many acts of sabotage have occurred in the South since Chuan took office in 1992, the bomb last Saturday which killed three people and injured at least 27 others being only the most recent.

The opposition has threatened to file a no-confidence motion against the government over public security.

Deputy Interior Minister Suthat Ngoenmun said it was the duty and right of the opposition to file a no-confidence motion. The government must publicly explain to avoid confusion, he said.

He said police should come up with better measures and intelligence to prevent violence. Police performance in dealing with bombing incidents dissatisfied the people, the press and the opposition, Suthat said.

"I'm not happy. I'm not satisfied with police performance in preventing and suppressing crime," Suthat said. "Intelligence services should be better. I don't know what their problem is, since the government has allocated a budget for them."

He said police chief Prathin Santipraphop should not comment on cases while things are still unclear. This only confuses the public and allows the culprits to escape.

Suthat said evidence, witnesses and investigative procedures should be kept secret. Police should not publicly reveal everything because this affects the investigations.

He said Pol Gen [Police General] Prathin is a capable officer, but he may not have a strong enough team to help him.

Deputy Interior Minister Chamni Sakdiset said Interior Minister Chawalit Yongchaiyut was ready to face the opposition in Parliament, should it initiate a censure debate.

He said police should investigate all possible motives behind Saturday's bomb blast, including personal affairs and politics.

Higher Inflation Said Not To Hurt Growth

BK2804034094 Bangkok BANGKOK POST in English 28 Apr 94 p 26

[Excerpts] The current level of inflation, which is slightly higher than projected, is no threat to long-term economic growth, says Bank of Thailand Governor Wichit Suphinit.

He said the current inflation rate is 4.8 percent, a level considered not too high and is only a point-in-time measurement and not the annual average figure.

He noted that inflation has been caused by agricultural commodities prices, which have risen by 5.8 percent, while the prices of non-agricultural commodities have risen by only 3.8 percent.

Savings in the first quarter of 1994 expanded 15.9 percent while credit expanded 22.8 percent. Commercial banks have raised interest rates to entice savings. The country's saving rate is estimated to lag investment by 6 percent, said Mr Wichit.

The governor maintained that the widening gap between savings and credit extension, and the higher inflation rate, are not alarming. [passage omitted on comments by commercial bank officials]

Meanwhile, huge capital inflows through the Bangkok International Banking Facility of 110.58 billion baht in the first quarter helped Thailand avert a capital shortfall.

The inflow through this channel in the first quarter last year amounted to only 15.5 billion baht, Mr Wichit said

.

Capital inflows in other channels suffered declines: direct investment dropped two billion baht investment in securities dropped 8.3 billion baht and non-resident deposits dropped 16.8 billion baht.

Total capital inflow to the private sector in the first quarter amounted to 76.58 billion baht, lower than the 82.34 billion baht in the same quarter last year, according to Mr Wichit.

He also noted that net capital inflow to the private sector in 1994 would be around US$10 billion, compared with the US$13 billion in 1993.

The shortfall was primarily caused by recent changes in US interest rates.

Economy Continues To Sustain 'Impressive Growth'

BK2904091594 Bangkok BANGKOK POST in English 29 Apr 94 p 21

[Text] Thailand's economy continued to sustain impressive growth during the first quarter of this year as a result of higher exports, consumption and investment by both the government and state enterprise agencies, according to the Bank of Thailand.

Private sector investment, however, weakened during the period due to a decline in investment from abroad. Slow progress in mega-infrastructural projects also contributed to a slowdown in private investment.

Production in the manufacturing construction, trade and service sectors continued to expand from the last quarter of last year while production in the agricultural sector weakened.

The bank, however, pointed out that higher consumption and lower agricultural output contributed to higher commodity prices, leading to higher inflation in both the food and non-food sectors.

The consumer price index rose 4.8

during the first quarter of this@ year, compared with a 3.3

rise during the same period of 1993.

Prices of food and non-alcoholic drinks rose 6.2

, while non-food prices went up 3.9

.

Concerning external trade position, exports rose 16.8

as a result of the improving economy of Thailand's trading partners—particularly, the US. The removal of Thailand from the US priority foreign country list (PFC) also contributed to higher exports.

Imports rose only 12.4

during the first quarter of this year. Imports of oil products dropped, but imports of non-oil products—particularly, consumer goods—rose considerably causing the country to suffer a trade deficit of 68.8 billion baht during the period or about the same level as the deficit recorded during the same quarter last year.

The current account deficit rose marginally from the same period of last year to 47 billion baht.

Net capital inflow totalled 80 billion baht, a small increase from the same period of last year, while payments surplus remained nearly constant at 21.52 billion baht. Official reserves, as of the end of March, stood at US$26.67 billion or an equivalent of 6.6 months of imports.

The Government's fiscal position weakened somewhat during this quarter as import and excise taxes on car imports dropped considerably. The cash account surplus was only 10.58 billion baht during the period, compared to 27.61 billion baht for the same period of 1993.

But Phisit Lee-artham, a central bank spokesman, said that during the first half of this fiscal year (October 1993-March 1994), the Government's expenditures rose 22.8

over the same period of the preceding year, while revenue rose only 13

.

As a result, the Government suffered a cash deficit of 17 billion baht compared to a surplus of 9.5 billion baht recorded during the same period of the preceding year.

This is the first time in seven years that the Government has suffered a cash deficit during the first half of its fiscal year, but he said he expects the situation to return to normal during the second half.

Mr Phisit said deposit at banks, as of the end of March, stood at 122 billion baht, which represented a decrease of 38 billion baht from the end of last year. He said the drop in bank deposits may stem from the fact that the public had invested over 30 billion baht in mutual funds in the period.

Vietnam

Le Duc Anh's Activities in Indonesia Reported

BK2904060394 Hanoi VNA in English 1455 GMT 28 Apr 94

[Text] VNA April 28—President Le Duc Anh left Jakarta this morning for Bandung and Bali cities, continuing his official friendship visit to Indonesia. Before leaving the Indonesian capital, President Le Duc Anh expressed his thanks to President Suharto and his wife, the Indonesian Government and people for their hospitality and expresed his confidence that the friendship and cooperation between the two countries would continue to be consolidated and developed. For his part, President Suharto expressed his pleasure at the fine results of the Indonesia visit by President Le Duc Anh and his wife. He believed this important event would help to further promote the traditional relations and all-sided cooperation between the two countries. President Le Duc Anh has invited President Suharto and his wife to pay an official friendship visit to Vietnam. His invitation was accepted with pleasure. President Le Duc Anh and his party spent the following day in Bandung and Bali, visiting the places of historical and cultural interests in those cities in the company of their high-ranking officials as the last leg of the president's official friendship visit to Indonesia.

Prime Minister Meets U.S., Canadian Businessmen

BK2904055994 Hanoi VNA in English 1455 GMT 28 Apr 94

[Text] Hanoi VNA April 28—Prime Minister Vo Van Kiet received here today a delegation of Vector Venture, a joint venture between Canada's Vector Venture and the United States' Vector led by its President (Amyn S. Dahya) on a visit to Vietnam. The Vector Venture delegation is here at the invitation of Minister of Construction Ngo Xuan Loc, to survey the possibilities for cooperation with Vietnam in the field of water filtration. At the meeting, Prime Minister Vo Van Kiet appreciated the delegation's concern over the problem of clean water,an urgent issue relating to the health of all people which the Vietnamese Government views as the important point in its national programe for primary healthcare. He affirmed that the Vietnamese Government will strongly support the projects the delegation agreed to cooperate Vietnamese partners to carry out in Vietnam. He expressed his wish to see these projects quickly materialized so that all Vietnamese could have enough clean water in a near future. For his part, President (Amyn Dahya) assured the prime minister that Vector Venture will provide the best equipment to the projects and implement as soon as it can the transfer of technology to Vietnam.

Vo Tran Chi Meets With Chinese Intellectuals

BK2704141194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Apr 94

[Text] On the 19th anniversary of the liberation of South Vietnam, on the afternoon of 25 April, Comrade Vo Tran Chi, member of the Political Bureau and secretary of the Ho Chi Minh City party committee, cordially met with ethnic Chinese intellectuals in Ho Chi Minh City.

The intellectuals are young people who have grown up in the new regime and developed political awareness early. They have actively contributed to the city building cause and been successful in their life advancement.

The Chinese intellectuals honestly recalled their feelings and life experiences. They also expressed their enthusiasm and belief in the national renovation effort.

Comrade Vo Tran Chi urged the intellectuals to continue building their beliefs and study continuously to enhance their contributions to the city and country.

Reform Project To Be Undertaken With UNDP

BK2704010094 Hanoi VNA in English 0634 GMT 26 Apr 94

[Text] Hanoi VNA April 26— Justice Minister Nguyen Dinh Loc, on behalf of the prime minister and resident representative of the United Nations Development Programme (UNDP) Roy D. Morey signed here yesterday a project on legal reform programme in Vietnam.

The project is jointly implemented by the Ministry of Justice, the government office [words indistinct] National Assembly office in 1994-1995.

The project aims at transfering necessary knowledge and experience in working out strategies for building and implementing laws in the fields of economy, trade, finance, and environment. This is one of the projects of importamt significance to the renovation process in general, and to the reformation and reorganization of legal system in Vietnam in particular.

Addressing the signing ceremony, Minister Nguyen Dinh Loc on behalf of the project implementing offices, affirmed Vietnam's continuation to closely cooperate with UNDP to scrupulously implement the agreements between the two sides, in order to obtain what have been expected by the Vietnamese Government and UNDP.

* Prime Minister Responds to Bishops' Resolutions

942E0043A Hanoi NGUOI CONG GIAO VIET NAM in Vietnamese 15 Mar 94 p 4

["Text" of premier's response to bishop's proposals given to Bishop Nguyen Minh Nhat by Vu Quang, the chairman of the Religious Affairs Committee]

[Text] On 3 March 1994, Vu Quang, the chairman of the government's Religious Affairs Committee met and worked with bishops on the Standing Committee of the Vietnam Council of Bishops headed by Bishop Nguyen Minh Nhat, the council president. As ordered by the premier, the chairman of the Religious Affairs Committee gave Bishop Nguyen Minh Nhat Document No 46 CV/TGCP of 17 February, which gives the premier's response to "the proposals made by the Vietnam Council of Bishops" at the youth conference of the Council of Bishops held in October 1993. The following is the complete text of this document.

Sincerely, Bishop Nguyen Minh Nhat, Chairman of the Vietnam Council of Bishops

Sirs:

On "the proposals of the Council of Bishops" that were sent to the premier on the occasion of the recent youth conference of the Council of Bishops, the premier has asked the Religious Affairs Committee to inform you of his ideas as follows:

1. As for traveling around to perform the duties of bishops and priests, the government has always tried to facilitate this. Decree 69 and Circular 02, for example, state that "bishops who go to carry out tasks in a diocese and priests who go to carry out tasks in a parish for which they are responsible do not have to request permission."

2. Assigning and transferring priests in a diocese is to be done based on the work requirements of the church, but in order to facilitate control by the local authorities, matters must be discussed and an agreement must be reached with the local authorities.

3. As for publishing houses to print religious publications, according to the Publishing Law and decrees of the government and the circulars of the Ministry of Culture that provide guidance in implementing the law, the Ministry of Culture will discuss things with the various religious groups in order to designate a number of publishing houses and facilitate the printing of religious publications.

4. The premier welcomes the contributions made by the dioceses, parishes, and orders to educating our children and youths. The state has given attention to expanding education, has implemented policies to vary the forms of training and instruction, and has encouraged the opening of private and semi-private schools along with the public schools. The dioceses and orders can send people for training and contribute money, materials and equipment, and instructional materials to these schools.

5. As for religious orders, Decree 69 states that orders can accept people into a monastery. However, in order to facilitate things, those people are responsible for completing the ordinary administrative control procedures with the authorities where the monastery is located and in the place where they reside.

6. As for priests who have returned after a period of training, the government has taken steps to integrate these people into the life of the local people. Priests who have returned from studying can carry out their religious duties if a bishop gives his guarantee and the local authorities recognize them as good citizens. The government's Religious Affairs Committee has provided specific guidelines on this point.

7. The government has also facilitated attending a seminary or entering a monastery. This is the same as for other citizens who attend a government school. Circular 02 states that people who want to attend an official school or enter a monastery or convent are Vietnamese citizens who must adhere to the policies and obey the laws of the state.

8. As for opening the Hue seminary, the government approved this in 1980, but the Council of Bishops and the Hue Diocese were not able to do this. Today, if they are able, they can carry out the procedures and open this seminary.

9. Based on the agreement between the church and the local authorities, the facilities of the Dalat Pontifical Institute are presently being used by the Nuclear Research Institute on behalf of the national interest. The government will review this matter.

10. In preparing to enroll people in a seminary, the dioceses with potential students can discuss things with the existing seminaries in order to open preparatory classes at the seminaries. But the important thing is that to ensure that the preparatory classes are of good quality, the contents, programs, and rules of those classes must be prepared carefully.

11. As for places of worship and places for making donations and the matter of repairing and building churches and chapels, the premier's Directive 379 and the circular guiding the implementation of this directive have provided concrete guidelines. The bishops, priests, and Catholic population must discuss things with the various-echelon authorities in order to thoroughly understand and implement the things stipulated by the state.

The above points are the views of the premier in response to the proposals made by the Council of Bishops. The premier hopes that in carrying out specific tasks, there will be frank discussions and exchanges of opinions with a constructive spirit of solidarity among all the parties concerned in order to maintain the ordinary religious activities of Catholics and create favorable conditions for people to participate in building and defending the fatherland.

Do Muoi Addresses National Party Conference

BK2904062494 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 Apr 94

[Report on Vietnamese Communist Party General Secretary Do Muoi's address at 25 April national party conference of control cadres]

[Text] During the last few years, the international situation has become complicated, and domestically we have been facing many difficulties. Our party has led well the implementation of the resolutions of the seventh party congress, the Central Committee, and the Midterm Party National Conference [MPNC]. Our party has also been consistent in the renovation undertaking by setting up many domestic and external relations policies which were in good accordance with the development rules, popular aspirations, and the trends of our time. Our people at home and friends around the world have strongly supported these policies. We have responded in a timely fashion to all circumstances, maintained political stability, firmly consolidated national defense, pushed socioeconomic development forward, expanded democracy, diversified external relations, and step by step nullified the blockade and embargo against us.

These achievements are the results of the strong political acumen of our party, army and people. They also strongly proved that our people are attached as flesh and blood with the party, and are absolutely confident that with its efforts in self-reform and self- rectification, the party is still trustworthy as a true revolutionary party: the party that can motivate unity, solidarity, intelligence, and the strength of people, and the party that always cares for the people's standard of living and the people's government, which is truly a government of the people, by the people, and for the people.

It is obvious that the achievements of the past few years are closely related to the construction effort and rectification work of the party, in which contributions by the cadres in charge of party control must be highly appreciated.

The comrade general secretary also stressed that the aim of party control work is to ensure that party lines and policies be implemented correctly and innovatively to bring successes to the revolution and benefits for the people. The party cadres should always strive to achieve what is beneficial and avoid what is harmful to the people. These are the basic principles of party control work. Only through control work will we know whether the party resolutions are implemented and whether they are implemented well, and we would also know strong aspects of our lines and policies so that we can further develop them, as well as the weaknesses so that we can adjust and improve in time.

Being a ruling party where party cadres are entrusted by the people with various positions in state agencies at different echelons, all cadres should use this privileged environment to develop their ability to serve the people. This privileged environment can also turn easily into a source of corruption and authoritativeness. On one hand, we should strive to educate party cadres to improve and perfect themselves so that they will always follow the just and correct objectives. On the other hand, we have to carry out regular party control work in order to encourage good deeds and prevent bad ones, and also to punish offenders on a correct and timely basis. Control work will help us screen out of the party the corrupt members and select the loyal and enthusiastic ones, those with character and talents who can assume the responsibility of making the party and its cadres worthy of the people's trust.

In the situation where the market economy is being implemented and external relations expanded, there would be complicated issues in parallel with favorable conditions. These issues require us to respond actively and positively, especially in preventing the degradations; corrosion of confidence in the revolutionary ideals; corruption; smuggling; bribery; indications of depravation, degeneration, and decadence; all acts of authoritativeness, bossiness, bureaucratism, and coercion; and all opportunistic activities aiming at seizing authority, houses and land, assets, and other properties of the state and the people. These are the basic and urgent duties and contents of tasks for control cadres in the new situation.

The party control work aims to develop strength and overcome weakness, making the party more steadfast. In party control work, the cadres need to highlight right and wrong in all targeted activities, so that all loyal and active party cadres will be protected and trusted, with wrong-doers and opportunists punished according to the magnitude of their deeds. All party members should be guaranteed equal treatment from party discipline.

The objects of the party control work include organs and member cadres, especially key cadres at all levels. These are the two subjects that must be given equal importance.

We must conduct comprehensive control and pay special attention to the implementation of the party line, policy, and regulations as outlined in the MPNC resolution. That is the most comprehensive content of control work. We need to pay attention to the control of members and organs in their observation of the Constitution and the state law. This is the goal that must not be taken lightly in control work. Control work requires every cadre to not avoid and protect individuals and organizations that have violated party discipline, the Constitution, and state law. At the same time, in the current situation, we must clearly protect justice and righteousness by not allowing anyone to take advantage of the control work to disrupt party organizations and tarnish the cadres and members. Our party welcomes and encourages everyone, including non-members, to criticize party organizations and individual members as long as their opinions are honest, constructive, and responsible. That is our party's philosophy, which relies on public opinion and is also an example of our people's civilized attitude in human relations.

Control work is not only the work of the control committee but also the task of the entire party, beginning with the committees at all levels. We have to admit that the committees have not been the first to discover troubled incidents in the past few years, including problems among themselves. They only find out problems through party members and the general public. That is the thing that we must resolutely overcome in the coming period. Making the party clean and strong must be the task of the entire party, cadres, and members, beginning with the committees. The important thing is to make the committees themselves clean and strong to set good examples for their cadres and members.

In order to achieve that, the entire party, beginning with the committees, the control committees at all levels, and the control cadres, must improve their sense of logic, enhance their knowledge of the actual situation, thoroughly understand the party line and conception, and follow our predecessors' good examples to train ourselves for better political and professional knowledge and working ability to actively contribute to party reform and consolidation, making the party cleaner and stronger.

Party control work requires us to heighten our responsibility to the party and the public and to demonstrate our party's spirit of clearness and and straightforwardness, as our Uncle Ho used to say: casualness and carelessness in party control work will cause great damage to the political life of a party member, but leaving his problem untouched will not only damage that party member but also create more problems for the entire organization.

Control work must be combined with organization work for the correct and speedy evaluation of cadres and members. Many incidents left untouched for too long in the party are the result of poor coordination between control work and cadre organization work at all levels.

The comrade general secretary concluded that the last target that the control work needs to achieve is to make the party organization and contingent of cadres and members cleaner and stronger. The control work must ensure that after the completion of the work, the party organization will become stronger and the contingent of members become more united and mature, not the other way around.

The control work and the contingent of the control cadres are enjoying a great honor in contributing their great share in the successful implementation of the political duties set forth by the party. They must satisfactorily serve the party building work and actively contribute to the preparation of the eighth national congress and party congresses at all levels in the coming years.

Satisfactorily carrying out the control work is also executing Uncle Ho's philosophy of building our party into an exemplary political organization representing the intelligence, morality, conscience, and honor of the entire nation, deserving a leader and a very loyal servant of the people, as Uncle Ho used to remind us.

Government Convenes Regular Monthly Meeting

BK2904103394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Apr 94

[Text] The government held a regular monthly meeting in Hanoi from 25-27 April under the chairmanship of Prime Minister Vo Van Kiet.

At the meeting, the government heard the following:

—Do Quoc Sam, minister of state in charge of the State Planning Commission, presented draft orientations for industrialization and modernization and a draft policy to develop industrial technologies in our country until the year 2000. These drafts will be submitted to party and state leaders for consideration.

—State Bank Governor Cao Sy Khiem presented a draft directive on some stipulations regarding the management of foreign currencies in the current situation.

—Minister of Justice Nguyen Dinh Loc presented a plan for judicial reform in Vietnam.

The government also gave its views on the orientations for carrying out rural economic reforms and discussed and passed five bills to be presented to the National Assembly Standing Committee at its upcoming session. These include the law on civil servants, the law on granting the titles of State Honor and the Heroic Vietnamese Mother, the law on the safeguarding of national defense projects and military zones, the law on the management over the exploitation and safeguarding of farmland irrigation projects, and the law on hydrometeorological projects.

The government also gave its views on the need to continue to perfect a draft civil code to be presented to the National Assembly at its year-end session.

In his closing speech, Deputy Prime Minister Phan Van Khai reminded all cabinet members of some current emergency tasks to implement those government decisions already promulgated, especially those dealing with the need to step up the practice of thrift, to fight against wasteful spending, corruption, and smuggling, to increase revenue while reducing budget expenditures, and to attain the target for saving 5 percent of the budget as already set forth in a National Assembly resolution.

The deputy prime minister assigned various relevant ministries and sectors the tasks of inspecting, examining, and promptly resolving various pressing issues in the advance toward achieving mountain socioeconomic development activities in accordance with new government decisions and of providing strict guidance for those other areas of work to achieve the targets of the socioeconomic development plan for the first half of 1994.

Death Sentence Given for Destroying State Property

BK2904071994 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 Apr 94

[Text] On 26 April in Tu Hoa Township, the Quang Ninh People's Court tried eight defendants on charges of destroying important national security projects and handling property obtained from other people's criminal activities.

The court sentenced Vu Van Vuong to death for his leading role in the conspiracy to destroy high-voltage power line supports. It sentenced Khong Tiet Bao to life imprisonment for destroying important projects and national security equipment. Six other defendants, guilty of handling property obtained from other people's criminal activities, received prison terms ranging from two to six years.

Anticorruption Activities in 1994 Reported

BK2704094794 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Apr 94 p 1

[Report by Tieu Van: "In the First Quarter of 1994, 60 Cases of Corruption and Bribery Causing Losses of 3.677 Billion Dong Have Been Discovered]

[Text] According to the report of Interior Minister Bui Thien Ngo, during the first few months of 1994, 60 cases of corruption and bribery causing losses totalling 3.677 billion dong have been discovered. In comparison with the last quarter of 1993, this is a decrease of 27 percent in the number of cases. Of these cases, five have resulted in the conviction of 11 accused persons, one of them getting a life sentence.

The different forms of corruption and bribery activities mainly include: intentional violation of budgetary transaction procedures, keeping funds without bookkeeping documents, improper expenditure, and violation of income and expenditure principles. Typical of these offenses are the cases of the Lam Dong Tea Company, with 1.4 billion dong involved, and the Company of the Trade Union of the Metallurgy Sector, with 1.8 billion dong. There were also cases of violation of the regulations on building construction (in the bidding process, capital allocation, use of capital, and cost of materials), obtaining property by deception, illegal sales, setting prices contrary to principles, and spending land fees improperly.

Though the number of discovered cases has been reduced in comparison with the same period last year, the corruption situation is still very complicated. The tasks of investigation and discovery still lack concentration, even though some progress has been made. The handling process is still sluggish. The practice of bribing to get construction capital and licenses for joint ventures is still beyond the scope of the investigation work. The practices of receiving bribes, embezzling state property, using public property as presents to solicit favors, and so forth are still rampant. At many places, government directives on antiwaste and thrift practice have been ignored or poorly performed.

The Interior Ministry recently held a meeting to discuss measures to overcome the tardy progress of the anticorruption activities, and to further push the campaign to suppress and prevent corruption.

Anticorruption Campaign Result Reviewed

BK2804132594 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 2 Apr 94 p 2

[Article by Phong Lan: "Carry on the Anticorruption Struggle: New Requirements, Strong Measures"]

[Text] The activities of the city people's court in 1993 indicate that although the percentage of corruption cases that have been discovered and brought to trial remains low compared with the actual situation, more severe measures have been taken against corruption cases than before.

Topping the list of corruption cases is the "embezzlement of socialist property" category (46 cases that account for 52 percent). A total of 19 cases involving 37 defendants have been brought to trial with one life imprisonment sentence, three 20-year imprisonment sentences, and 22 imprisonment sentences being handed down by the court.

The "deliberate attempts to act at variance with state economic management regulations" category often causes serious consequences. There were very few cases that caused losses less than 100 million dong. Furthermore, most of those cases were motivated by personal interests. Therefore, the punitive measures against this kind of crimes is quite strong in nature in many cases, even though violators were state management cadres, they had to serve imprisonment sentences ranging from 10-12 years.

Regarding the "embezzlement of socialist property through fraudulent means" and "abuse of power to misappropriate socialist property" categories, the city people's court has brought to trial 14 cases and imposed life imprisonment sentences on five cases and handed down imprisonment sentences of more than 10 years on most of the remaining cases. Only six percent of those who had been tried for these kind of crimes received suspended sentences thanks to the less serious nature of their wrongdoings.

As for the "bribe-taking" category, in 1993, the city people's court conducted hearings only on two cases, completed the trial of the case involving the Tan Binh District public security service, and forwarded the case involving Truong Van Nghia of the Inspection Committee on House Sales at Prices Set by the State under the House and Land Service to the city people's organ of control for further investigation.

Regarding the six major cases in 1993 corruption cases that the city had reported to the government, the city people's court so far has completed the trial of only four of them, namely the case involving Xacogiva in which Vo Thi Thay,(wife of Pham Cong Tuoc, director of Xacogiva, was sentenced to life imprisonment; the case involving Ho Hoang Nam, who was sentenced to a 20-year imprisonment for having used falsified documents to misappropriate Villa No. 53 on Tran Quoc Thao Street; the case involving an investigation and search team of the Tan Binh District public security service taking a bribe in the form of 116 taels of gold and four Honda motorcycles (four of the accused were sentenced to imprisonment ranging from 15-20 years); and the case involving the director of the Cu Chi District Import-Export Corporation being sentenced to an eight-year imprisonment for his deliberate attempts to act at variance with state economic management regulations. Regarding the remaining two cases involving Sapexim, an import-export joint venture with Cambodia, and the Overseas Vietnamese Services and Import-Export Corporation (Cosevina), the documents have already been forwarded to the city people's court for trial.

In addition, another major corruption and smuggling case has also been tried at the preliminary and also final hearing of the Supreme People's Court. The case took place in the city and involved Phan Anh Tuan, former director of the city customs services. Through investigation, the agencies concerned have discovered and clarified the wrongdoings of a number of cadres of the city customs and house and land services.

Some Outstanding Problems Concerning Corruption Cases [subhead]

The national renovation cause is making its presence felt in all domains of social life. The transition from the economic policy based on the system of bureaucratic centralism and state subsidization to the market-oriented mechanism under state management has recorded marked results. Nonetheless, during this "transitional period," old work styles are not yet been fully overcome whereas new ways of doing things have taken shape but still need to be perfected. In addition, socio-economic life is still rife with many difficult and complicated problems. Furthermore, violations and crimes, especially corrupt practices, have developed at a fast-breaking and alarming rate on the economic front. The inevitable shortcomings and weaknesses in policies and implementation measures to effect changes in the mechanism have created loopholes for criminal elements to "slip through and perform tricks." Realities indicate that corrupt elements design their own schemes to reach their goals. Yet, they all have one thing in common, namely trying by all means to take advantage of loopholes in policies, laws, and management principles to slip through and carry out criminal activities.

Though corrupt practices take place on all economic fronts, they often occur in the banking, trade, import-export, building, transport and communications, and industrial sectors (as many as 80-85 percent of cases involving corruption, attempts to act at variance with state economic management regulations, and bribe-taking occured in the aforementioned areas).

Over the past years, more and more "collective crime" phenomena have taken place. There have been cases in which the number of defendants reached dozens of people, including leading cadres (there were 22 defendants in the Thanh Huong Perfume case and 12 defendants, including 10 state officials, in the case involving Phan Anh Tuan).

In addition, there have been cases in which different corrupt elements "met one another" at the same trial session. From the starting point at which bribe-giving and bribe-taking are performed, corrupt elements often move to the next step by making deliberate attempts to act at variance with state economic management regulations and by creating conditions for the embezzlement of socialist property (as seen in the cases involving Le Mai Ninh, Truong Ngoc Tai, Trinh Dong Tac, and others). Due to the fact that corrupt practices often take place in areas where there are large amounts of assets, goods, and money and where corrupt elements collude with one another, the degree of seriousness of the losses incurred is very high. According to the statistics released by the Supreme People's Organ of Control, in the 1990-91 two-year period, the losses caused by 980 corruption cases that 31 provinces and cities have initiated legal proceedings against or brought to trial reach nearly 1,000 billion dong.

Also noteworthy is the fact that in the recent past, the number of cases involving corruption, bribe-taking, and deliberate attempts to act at variance with state economic management regulations had the participation of private parties. Worse still, in some cases, it was those very private parties who were the masterminds and organizers. Those elements have "employed" the pleasure-seeking psychology of a number of influential cadres to pay the way for their criminal activities.

Some Problems That Need To Be Addressed [subhead]

The incident involving the loss of nearly 1,000 billion dong due to corruption is a very alarming fact, indeed. Nonetheless, what is more serious is the fact that corruption is now aiming its offensive spearheads directly at our personnel to undermine our party and state policies and lines and hinder our national renovation and development process. Therefore, the anti-corruption struggle constitutes an uncompromising front and calls for many uniform and resolute measures.

Regarding trials, the court sector has adopted more severe measures against corruption cases. The enforcement of economic punitive measures against corruption cases must be carried out in a more resolute, thorough, and effective manner to ensure full recovery of lost state property while at the same time eliminating all causes leading to criminal activities. (As for the city alone, so far, only less than 20 percent of lost state property has been recovered). Regarding those corruption cases involving the participation of private parties, it is necessary to study and evaluate correctly the latter's role as well as take appropriate action against them. This move will help reduce the causes leading cadres to get involved in criminal activities.

In addition to severe action against violations, it is necessary to formulate an appropriate mechanism to overcome shortcomings in state control over all aspects of social life, especially over targeted economic sectors (because these serve as the most suitable breeding grounds for corruption). At the same time, steps must be taken to build and develop an appropriate and uniform legal system. These moves constitute part of the necessary factors for "destroying down to the root" the causes leading to the birth and growth of corruption. The problem concerning personnel training and cadre assignment is also of great importance and requires that cadres possess both ethics and professionalism in order to undertake their tasks in the new situation.

* Defense Strategy for Coastal Region Examined

942E0044A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Feb 94 pp 40-42

[Article by Colonel Le Ke Lam]

[Text] The southeastern coastal zone of the fatherland plays an important economic and national defense role. In this coastal zone, there are various islands and archipelagoes—huge defensive "battleships." The Con Son archipelago [Footnote 1] [This is still called Con Dao. It covers an area 72 square km in size and consists of 16 islands of various sizes. It's coordinates are 106.31 degrees to 106.45 degrees longitude east and 8.34 to 8.49 degrees latitude north. It is approximately 80 nautical miles southeast of Vung Tau.] is located along an international navigational route. It has many deep bays protected from the wind that are very convenient for ships to drop anchor. Northeast of the Con Son archipelago is Phu Quy Island. [Footnote 2] [This is located 90 nautical miles from Vung Tau and 55 nautical miles from Phan Thiet.] East of Phu Quy are the Truong Sa [Spratly] Islands. Together, these three islands and archipelagoes form a strategic "triangle of islands" that is closely connected to the mainland and that make it convenient for developing the coastal economy and national defense, which is something rarely found anywhere else.

The oil and gas industrial zone in the southeastern coastal region of our country encompasses an area of hundreds of thousands of square kilometers. We have now formed two oil and gas exploration and mining zones. The Bach Ho field began operations in 1986. Next to go on line was the Rong field, and very soon, the Dai Hung field will begin supplying many millions of tons of crude oil per year to the country. This is an advantage for building and developing Vietnam's coastal economy. This will attract investment and cooperation from many countries. But this is also an area that various enemies have their eye on.

With the new plots and stratagems of the imperialists and other enemies, our coastal zones in general and our southeastern coastal zone in particular will always be "hot" and very "sensitive" zones. Other countries could and have encroached on our sovereignty in this coastal zone:

Agreements have been signed with foreign corporations to carry on oil and gas mining operations along our continental shelf. But their goal is to gradually occupy the entire eastern coastal zone. In the name of implementing the agreements, they will use their naval forces to perform defense tasks and regularly maintain strong naval forces in this zone with the aim of creating tension and turmoil throughout it.

"Scientific research" and defense flotillas will be sent to study and reconnoiter the situation along our coast. Ships and civilian forces will be used to extract marine products around the drilling zones, which will weaken security, interfere with our mining activities, and at the same time give them an excuse to start conflicts when necessary.

It will not be possible to eliminate the enemy's ability to use limited naval and air forces to surround and isolate our exploration and mining forces in coastal zones. They will then be in a position to use offensive weapons to force us to abandon our oil and gas exploration and mining activities. Although the forces and combat formulas depend on each enemy, they usually concentrate on having the advantage in terms of equipment and weapons, launching fierce and sudden attacks, having overwhelming strength, and presenting international opinion with a "fait accompli."

The above analysis means that we must strengthen our ability to defend our territorial sovereignty; protect our national interests, natural resources, and environment; and defend those who are living and working at sea. More specifically, we must build a strong national defense potential at sea and in each coastal area of the fatherland. We must mobilize the integrated strength of the entire party, all the people, and the entire military in the economic, political, national defense, and security sectors. There must be unified targets and action plans based on a common strategy and integrated macrocosmic plan of the party and state regarding building, developing, and defending our seas. There must be close coordination between building and developing the economy and resolutely and ably defending our territorial waters, protecting our natural resources, maintaining security at sea, and forming a strong and broad all-people's national defense and people's war front throughout our territorial waters and in each coastal zone and in each coastal locality. This front is a major process that must be carried on regularly and continuously. The contents of this process must be determined based on the situation and tasks. It must constantly be improved with respect to organizational structure, the forces must be deployed rationally, and capabilities for defending the seas must be strengthened with the cooperation of the forces existing at sea, on the islands, along the coasts, and on land in order to satisfy the requirements and complete the tasks.

In our coastal areas, there are more than 3,000 islands of various sizes. Some of Vietnam's islands and archipelagoes are located near the mainland, and others are located far away. There are 26 coastal provinces and cities, and almost half of the country's population and more than 6 million laborers are concentrated in these coastal areas. Almost 240,000 people are directly involved in making a living at sea in various sectors, and we have 80,000 ships. Our country's system of islands, in conjunction with the mainland, forms a multi-level defense structure. If the entire country and each coastal locality deploys forces and means rationally; coordinates economic, national defense, and security matters well; and coordinates activities at sea, on the islands, and on land closely, then this will create an unbroken and strong national defense and security front. This national defense front will be built using the integrated strength of the entire country and all the people. This is the basis for defending, protecting, controlling, and mastering the ocean areas and the precondition for scoring "Bach Dang military achievements" like our ancestors. The lessons in defending the oceans show that one of the most effective ways to affirm and implement sovereignty at sea is to have forces constantly present to defend and exploit the sea. At sea and on the islands, we must "gradually exploit the economic potential of the seas in all respects, develop the economy on the islands, become masters of our territorial waters and continental shelf, and exert our sovereignty over our special economic zones." [Footnote 3] [Strategy to Stabilize and Develop the Economy and Society to the Year 2000, Proceedings of the Seventh Party Congress] This is the direction for the entire country and a pressing need for our fatherland's southeastern coastal zone.

In building coastal defense zones, the state and many coastal localities such as Khanh Hoa and Ba Ria-Vung Tau have given attention to strengthening the presence of people and forces engaged in economic activities and scientific research at sea and on the islands in these coastal zones. The number of SRV citizens in the sea areas and in Truong Sa and Con Dao districts has increased. This is a correct orientation that is aimed at developing and protecting the economy in conjunction with solidifying and expanding the national defense and security front in our southeastern coastal area. But this population is not large enough to exploit the strengths that exist in the ocean and on the islands, and it has not really satisfied the present national defense and security requirements in this area. If the population of Con Dao District increases fivefold, the fishing and marine products processing sectors can be expanded greatly, the strengths concerning tourism and repair and maintenance services can be exploited, fuel and food can be supplied to ships, and the cultural and social spheres (schools, hospitals, theaters, and so on) can be brought into balance. The party and state and the sectors and localities should implement favorable policies and practical measures to implement this policy to enable Phu Quy, Con Son, and Truong Sa to develop in all respects. That will be both a force for socioeconomic development that is regularly present on the seas and that affirms and enforces sovereignty, and a basis for organizing militia and self-defense units and strengthening national defense strength. At the same time, this will create the preconditions for turning the islands and archipelagoes into a frontline base that our armed forces can use to carry on long-term operations at sea and to satisfy the combat requirements when the weather is bad or when the enemy imposes a blockade.

The state must soon promulgate "regulations on exploiting and controlling the sea" so that the people and forces at sea have a legal basis to rely on and can effectively participate in controlling the seas.

Building mass armed forces at sea is something that must be given attention in the process of building an all-people's national defense and people's war front at sea.

In the present multifaceted economic structure, we must continue to study the organization of coastal militia and self-defense forces in the economic elements in order to maintain broad capabilities. However, the militia and self-defense forces in the state and collective economic elements must continue to serve as the activists. The localities in these areas should study the experiences of Ba Ria-Vung Tau and a number of other coastal localities in organizing the militia and self-defense forces in the private economic elements so that their own militia and self-defense forces are of high quality. When organizing militia and self-defense forces, the special characteristics of the occupations must be studied carefully (day, night, seasonal activities), and the coastal zones (fishing grounds) and activities of each force must be determined so that the control zones can be organized and divided in a relatively rational manner. In the southeastern coastal zone, besides the fishermen from the six coastal provinces in the zone, many fishing boats from nearby provinces also come to fish in these waters. When organizing militia and self-defense forces, attention must be given to this special characteristic as well as to the fact that international transport forces are sometimes present in the area in order to regulate the fishing grounds, deploy the forces rationally, and prevent sea areas from being left empty.

The use of the equipment and technical means of the forces at sea must be studied so that when necessary, they can be equipped with the means to carry out their economic tasks and support the military and national defense requirements. This includes equipment to detect targets (fish), determine depths, fix and guide targets on and under the water, and information and observation means.

The naval, air, and other armed forces that are assigned sea duties must be suitably organized and equipped, and they must coordinate closely with the border units, coastal militia and self-defense forces, and local armed forces on the islands and on shore in accord with the economic and ocean control regulations mentioned above and the orders of the Ministry of Defense. The lessons in carrying on operations at sea show that in order to ensure that the surface warships complete their tasks, air defenses and electronic warfare must be strengthened. Concerning this, the experiences in previous wars provide valuable lessons that must be exploited and applied. The problems is, we must strengthen training and constantly improve the combat strength of each force in the joint front based on a unified plan. As for the coastal militia and self-defense forces, special attention must be given to providing training in recognizing shapes and distinguishing targets, and they must be given training concerning information technology and methods. Along with training each force, a suitable amount of time must be set aside for carrying on joint combat maneuvers between the air force and navy and the other armed forces, the localities, and the coastal and island defense zones based on determining what situations might arise and formulating combat operations plans based on those situations and based on each step from low to high and from joint operations between two forces to many forces. Then, the next step is to organize maneuvers involving all the contents and requirements of building an all-people's national defense front at sea.

* Article Comments on Religion, Human Rights

942E0045A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Feb 94 pp 56-58

[Article by Nguyen Duc Lu, M.A., Ho Chi Minh National Institute of Politics]

[Text] Freedom of religion is one of the rights of people and citizens. This right, like other legitimate rights, must be respected on the legal, moral, and emotional fronts.

In Vietnam, there are many different religious beliefs and doctrines. In the nation's history of struggle and development, the religions have always remained close to the people; struggled against colonialism and imperialism to win national independence, the right to life, liberty, and the pursuit of happiness, and freedom of religious belief; and strongly defended their beloved fatherland. The people in the religious zones, including those in the Catholic zones, compatriots, and missionaries have fulfilled their obligations as citizens, carried out their religious and worldly duties well, and contributed their strength and possessions, including their blood, to carrying on the resistance and building the country. Many children from religious families have taken up arms to fight, sacrificed their lives, scored glorious achievements in war, and been awarded many medals by the state. In today's renovation movement, many members of various religious groups are manifesting the "good life, good morals" tradition and exploiting their capabilities and intelligence to enrich both their families and society in order to achieve the goal of a "prosperous people, strong country, and civilized society."

The various religious beliefs certainly won't interfere with the ability of religious people to become integrated and work together with other people in the common revolution. The party and state have a correct religious policy. The various-echelon cadres, sectors, and localities truly respect the people's right of freedom of belief and will exploit the capabilities, intelligence, and strength of religious followers in the present renovation movement.

Unfortunately, in recent years, a number of places have done things incorrectly and even acted contrary to the party's and state's policy of freedom of belief. A number of cadres have exhibited feelings of distrust and acted in a narrowminded way and this has offended religious sensibilities and affected the religious freedom of believers. There are many reasons for those erroneous attitudes and acts, but one of the main reasons is the lack of understanding and immaturity concerning the issue of religion. Some people say that religion is a totally negative social phenomenon, and it should, therefore, be eliminated, the sooner the better. They regard religion as a type of drug that poisons the spirit of the masses. They do not see the rational factors in religion or the moral and humanistic values of mankind that must be protected and passed on.

In recent years in our country, along with the process of renovating and democratizing social life, the rapid growth of economic elements, the expansion of the market mechanism, and the tendency to cooperate with other countries having different political systems, there has also been a process of restoring and expanding religious activities. Concerning this, there is nothing to discuss, because this has to do with the rights of each citizen, and these rights are protected by the laws of the state. However, superstition, witchcraft, fortune-telling, and so on have spread rapidly. Publications that propagate superstition have flooded the market and can be found everywhere. They can be found among people of all age groups, occupations, level of education, and social position and even among cadres and party members. They cause people to have illusions about fate and believe that they aren't masters of their own fate but must entrust themselves to fate and spirits. Actually, there have been many distressing situations because of superstition, and some people have been deprived of their right to life. Such things are unacceptable. Thus, eliminating such activities is aimed at protecting people's rights.

Looking at things in a dialectical way, the present situation regarding religious life is both normal and abnormal. It is normal in the sense that this is the ordinary life of people and the legitimate rights of religious people. Our nation has recently passed through wars of national liberation. For a rather long period of time, because of the pressing and urgent target of winning national independence, people have been prepared to limit and even temporarily neglect their religious needs in order to concentrate on driving out the invaders and winning national independence. Today, now that the entire country is at peace and the tendency is to renovate and democratize all aspects of social life, spiritual needs, which include freedom of religion, are something ordinary and easy to understand. But this is also abnormal, because in religious life today, a number of people are using religion and freedom of religion to carry on political activities and spread superstitions in order to profit and carry out other evil actions. They are making use of loopholes or the mistakes of a number of cadres in a number of localities to slander the state, saying that the state is violating human rights. They are slandering the authorities in a number of localities, saying that they are oppressing Buddhists, and speaking out on behalf of a number of extremist elements in Buddhism. A number of people posing as Buddhists are creating social disturbances, obstructing communications, overturning and burning vehicles, and opposing those who are carrying out public services at Phu Xuan bridge in Hue City. It is very clear who is protecting and who is violating human rights. They even claim that they have made a list of more than 10 people who have set themselves on fire in order to protest the human rights violations. They have urged people to commit suicide. Not only have they violated the criminal laws, but they have also violated Buddhist tenets concerning killing. Furthermore, they have violated international human rights agreements. Article 18 of the International Agreement on Civil and Political Rights clearly states that "freedom of religious expression or religious belief can be restricted only by legal stipulations, and these restrictions must be necessary for maintaining safety, social order, public health or morals, or other basic freedoms of people." No country can, in the name of the rights of this person or group, abridge the rights of other people and groups. Guaranteeing human and civic rights must be tied to prosecuting those who violate those rights. Thus, protecting the rights of people and promptly prosecuting those who violate those rights are not mutually exclusive. In actuality, they supplement and support each other. This is a basic and obvious point that ordinary people can easily understand.

What is the real nature of the so-called "human rights violations and violations of freedom of religion in Vietnam" that enemies inside and outside the country are talking about? In their plot to carry on "peaceful evolution" to change the political system in the remaining socialist countries, they are giving particular attention to the banner of religion in order to deceive and arouse the masses. They say that in Vietnam, there is no party or political organization with the capabilities, discipline, and spirit equal to that of religious groups. Only believers have the spirit and courage to sacrifice themselves for their beliefs, because their faith helps them to ignore hardships and dangers. They say that "the end of the communist system in Vietnam will be decided primarily by religion." On the other hand, they are doing their utmost to distort and slander things using traditional arguments: "Communism is synonymous with atheism, and religion posits a god and so how can the two co-exist?" They say that "communism has declared war on religion." They have said such things in an effort to create a split between the party and authorities and people with religious beliefs and between believers and non-believers.

Thus, in reality, statements such as "Vietnam is violating human rights" and "religious oppression" are part of the political plot of the reactionary forces. They certainly do not want Vietnam to become a stable country so that it can strive to achieve the goal of becoming a "prosperous people, strong country, and civilized society" with a socialist orientation. They are intentionally closing their eyes and refusing to acknowledge renovation of understanding or the implementation of the party's and state's policies on religion.

The state has always had a unified policy of respecting and guaranteeing people's freedom to believe or not to believe and respecting spiritual values and traditional cultural life. The religious life of the people has existed since ancient times and will certainly continue to exist far into the future. Coexistence between believers and non-believers and between people of different faiths in the community is an objective fact. There has been a tradition of solidarity in building and safeguarding the country, and today, this is a source of strength in renovating, building, and defending the fatherland. Every follower of every religion is different in terms of his material life, but all share a religious life and the life of the times. Although people may have different beliefs, they are all equal in terms of rights and responsibilities before the law. There is no "orthodox religion," and the state does not regard any religion as a "heresy." It always respects the freedom of belief of all religions. This shows a respect for the human rights of each citizen. In building socialism, we have always emphasized refraining from influencing the inner feelings of people or rejecting the right of people to freely choose their own religious beliefs.

Thus, in the renovation process, as the party has affirmed, "religious beliefs are a spiritual necessity for some people. We must implement and unify policies on respecting and protecting freedom of belief, oppose actions that violate the freedom of belief, and at the same time oppose actions that make use of religious beliefs to harm the interests of the fatherland and people." This has been codified in state law in order to protect the rights of the people. Religious activities are social activities just like other social activities. Because it is responsible for controlling society, the state must examine and control the social aspects of religions. This is because besides its relationship to the church and the community that shares the same religious beliefs, a religion also has a relationship with and affects society. The state must not interfere with religious beliefs, but it is responsible for controlling the social aspects of religious activities using the laws. The main purpose of this is to protect the rights of citizens and the religious freedom of belief.

Religion is a delicate, complex, and profound social phenomenon in the spiritual, ideological, and emotional lives of many people in many generations. Religion is related not only to "ethical matters" but also to "matters of life." It is related not only to "the other life" but also to present life. There must be respect for freedom of belief, but at the same time, those who use this right for non-religious purposes must be opposed. We must respect people's freedom to believe, but at the same time, we must also respect people's freedom not to believe.

Respecting people's freedom of belief means respecting people's faith, religious ceremonies, and other religious activities that are in accord with national cultural traditions and improving the morals and character of people. We cannot accept counter-cultural or inhuman actions that are contrary to the legitimate needs of the masses and that lead to confusion, a lose of direction, passivity, and even violations of the law.

Respecting freedom of belief, which is one of the fundamental elements of the human and civic rights of people, does not mean allowing freedom to "burst out" in confusion and allowing the spread of every type of "heresy" along with today's open market mechanism. At the same time, human rights should not be relied on to revive and encourage backward customs that the people once voluntarily did away with.

As for believers, they are both elements of the religious community and citizens of a country. They have obligations and responsibilities both to their church and to their fatherland. They enjoy both human rights and the rights of citizens just like every other citizen. Thus, on one hand, they have the right to demand legitimate freedoms. On the other, they must struggle against those who violate and make use of those rights and contribute to building and defending the country so that it prospers.

Ammunition Siezed in Ho Chi Minh City Customs

BK2904022594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Apr 94

[Text] According to the 28 April edition of LAO DONG newspaper, Customs officers in Ho Chi Minh City recently discovered a container sent via the United Kingdom by an overseas Vietnamese living in America to a Vietnamese citizen with registered residence in Ho Chi Minh City.

Various items in the container include air guns, hunting guns, ammunition for hunting guns, 4.5 caliber ammunition, grenades, two pairs of binoculars, two sets of walkie-talkies, one helicopter rotor, one diver's suit, two diver's air tanks, one mine-clearing machine, several other items, and 19 packs of books and papers, the contents of which are being examined by authorized agencies.

All the exhibits and related documents have been transferred to Ho Chi Minh City police for further investigation.

Northern Provinces Form Special Economic Region

BK2904111494 Hanoi Voice of Vietnam in English 1000 GMT 28 Apr 94

[Text] An integrated economic region for the industrialization and market orientation will be formed by Hanoi, Haiphong, and some other provinces in north of Hanoi. The project is called planning orientation for key northern areas. The region has great resources of minerals and labor as well as enormous potential and tourism development as it accounts for 60 percent of the whole country's hydropower potential.

Premier on Actions Against Illicit Car Imports

BK2904103794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Apr 94

[Text] The newspaper LAO DONG on 28 April reported that Prime Minister Vo Van Kiet held a working session with the chairman of the Song Be Provincial People's Committee regarding the illicit import of 273 cars.

After hearing leading comrades of the Song Be Provincial People's Committee criticize themselves for the wrongdoings they committed in legitimizing and allowing the operation of 273 illicitly imported cars—the responsibility for which rests chiefly with the chairman of the provincial people's committee and his deputies who were directly in charge of this case—the prime minister asked the chairman of the Song Be Provincial People's Committee to scrupulously carry out self-criticism, report the results to the provincial party standing committee, and propose the form and extent of disciplinary actions to be taken against the provincial people's committee collectively.

As for the chairman and the two vice chairmen of the provincial people's committee directly involved in this case, they must scrupulously review their wrongdoings, propose the extent of disciplinary actions to be taken against themselves, for instance, resigning from their present positions so other comrades can replace them. This must be carried out in such a way as to ensure scrupulous law enforcement.

Those state organs such as tax, security police, customs, and trade organs in Song Be that failed to take preventive measures against this wrongdoing and to report it to higher management organs and that are found to be involved in the wrongdoings must also ascertain their specific responsibilities so appropriate disciplinary actions can be taken against them.

Overseas Vietnamese Receive Tax Incentive

BK2704163194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Apr 94

[Text] The State Commission for Cooperation and Investment and the Overseas Vietnamese Central Department has just issued a circular to encourage more overseas Vietnamese investment.

According to the circular, all economic units with more than half of their capital coming from overseas Vietnamese will enjoy a 20 percent reduction in income tax, except for those units already taxed at the concessional rate of only 10 percent. When their concessional tax has expired, they will pay income tax at the 20 percent rate.

When transferring profits abroad, the economic units of overseas Vietnamese will enjoy the lowest tax rate for profit transfers, 5 percent, as stipulated by the Investment Law.

NHAN DAN Discusses Domestic Savings Motivation

BK2704111894 Hanoi NHAN DAN in Vietnamese 1 Apr 94 p 2

[Article by Tran Quoc Khai: "How to Motivate Domestic Capital: There Needs To Be an Appropriate Legal System"]

[Text] Our ancestors had the saying "To make paste, you need flour" when they wanted to say that to do something, we need the means. To do business, to carry out economic activities, we also need the means, that is, capital. In a symposium on economic development held in Ho Chi Minh City, a Japanese specialist has said frankly: "You want to find business partners? First of all you need to have money in your hand; then you have to have business management knowledge and market information, otherwise failure awaits you...".

It is true that if we do not have capital to the minimum of 40 percent of the total investment capital for a joint venture, then we will be at a disadvantage. I was not surprised when I visited Shanghai in China, where the eastern region development project is being carried out. Foreign investment up to tens of billions of dollars capitalizes it; however, the state of China has also put in 130 billion yuan, or 50 percent of the total of capital, for that gigantic project, which is creating the "head" of the dragon for the whole east China region.

There are countless examples to prove that lack of capital means disadvantages for the economic development of the world's poor countries. The first victims were the African countries, who have, due to the lack of capital, 'voluntarily' used their land and dirt-cheap labor to grow industrial plants as required by capital lending countries. The results have been shortages of food staples, exhausted soil, and an even more devastating situation than before.

One of our directors recently exclaimed that, two years ago, he had been too "enthusiastic" in searching for foreign partners to set up joint ventures. For capital, he borrowed from them half a million U.S. dollars, and they contributed another half a million dollars with the condition that the joint venture should import equipment chosen by them, and our director should take care of the sale of the produce. In exchange our director should agree to an export volume of agricultural products of 2,500 tonnes. As a result our director received a loan and a bunch of obsolete equipment which had been newly-painted. Our director is of course awaiting his trial in court, but, to be fair, the state and people should shoulder this loss. He claimed that he did not embezzle even a cent into his own pocket; he was cheated and he had no capital to make a fair deal. Cases like this are happening quite often these days in our country.

Capital is essential for development in our country, a country devastated by many years of war. Many projects have been postponed just because funding was not available, and many of these projects were construction of infrastructure requiring large amounts of investment and a long capital recycling time. But if we do not strive for strong development of the infrastructure, we will not have conditions for economic development. In a recent visit to Dien Bien Phu, the local leaders told me that the local people supported the campaign to substitute poppy with other industrial plants. But when the people needed financial help, only about several hundred thousand dong for each hectare of land, the authority could not respond. Then the people told the leaders that they would supply their own plant and livestock species, but that the authorities should make more roads so they could barter their products with other localities. The authorities faced another stalemate since they had no funds to build more roads.

So where can we find the capital?

Some specialists estimate that there is about 20,000 billion dong of idle capital still in the hands of the people. Others say it is 40,000. In the last Tet Giap Tuat [New Year of The Dog] event alone, our Vietnamese compatriots from the U.S.A. brought home $36 million through Tan Son Nhat Airport (Ho Chi Minh City). Most of this money did not go into saving funds and state treasure, but was invested in land and real estate. Investment in land and real estate brings no benefit to the national economy. Some economic specialists have asserted that the land prices in Vietnam are unrealistically high. In some places the price was twice as expensive as compared with that in other countries in the area, thus creating another difficulty in the effort to attract foreign investment.

The success of the domestic capital motivation campaign is a criteria to measure the trust of people in the state. If people still do not trust [the state] and feel indecisive, it is almost impossible to urge them to bank their money in the state treasury, or to do joint business with the state. So the primary task the state needs to do is to create trust in the people so that they will be willing to put their money into developing the economy and building the country. There will be a thousand and one tasks to do, but the first thing we need is an appropriate legal system that protects the rightful benefits of the people. We should not repeat the situation in which the people who have deposited money in saving funds have nowhere to turn to when problems arise.

Secondly, we need to restructure our management to improve economic efficiency, so that the money people put in will secure a profit. We should not allow the current situation of many loss- making enterprises with their directors and cadres still earning enough to build new houses, buy new "late model" cars, and live even more "luxuriously". It is impossible then to persuade people to practice thrift for national construction.

We need to revise the following lesson: at the time when we had just regained independence, our national treasury was almost empty. President Ho Chi Minh urged all the people to save one meal and use the rice to help people who suffered hunger at that time, and he did it first as a model to others. Later when he again urged people to contribute money and gold to buy guns for national salvation, all the people gave their strong support. We should never forget this lesson; it should be the model for our activities.